

HEALTH SERVICES AND DEVELOPMENT AGENCY MEETING
JUNE 26, 2013
APPLICATION SUMMARY

NAME OF PROJECT: Maxwell Aesthetics, PLLC

PROJECT NUMBER: CN1303-009

ADDRESS: 2020 21st Avenue, South
Nashville, (Davidson County), TN 37212

LEGAL OWNER: G. Patrick Maxwell, M.D.
2020 21st Avenue, South
Nashville, (Davidson County), TN 37212

OPERATING ENTITY: Not Applicable

CONTACT PERSON: E. Graham Baker, Jr., Attorney
(615) 370-3380

DATE FILED: March 15, 2013

PROJECT COST: \$1,322,564.00

FINANCING: Cash Reserves

PURPOSE FOR FILING Establishment of an ambulatory surgical treatment center (ASTC) limited to plastic surgery containing one operating room (OR).

DESCRIPTION:

Maxwell Aesthetics, PLLC is seeking approval to establish a one OR ASTC limited to plastic surgery. The facility will be located at 2020 21st Avenue, South, Nashville (Davidson County), TN 37212. The site of this facility will be within 6 miles of five area hospitals.

Service Specific Criteria and Standard Review

AMBULATORY SURGICAL TREATMENT CENTER

1. The need for an ambulatory surgical treatment center shall be based upon the following assumptions:
 - a. An operating room is available 250 days per year, 8 hours per day.

The applicant indicates the ASTC will operate 250 days per year, 8 hour per day.

- b. The average time per outpatient surgery case is 60 minutes.

The applicant indicates the cases in this practice will average approximately 180 minutes (3 hours) per surgical case.

- c. The average time for clean up and preparation between outpatient surgery cases is 30 minutes.

The applicant indicates the average cleanup between procedures is approximately 30 minutes.

- d. The capacity of a dedicated, outpatient, general-purpose operating room is 80% of full capacity. That equates to 800 cases per year.

With an average time per case of three hours, the applicant notes that 80% of full capacity will be 400 cases per year.

- e. Unstaffed operating rooms are considered available for ambulatory surgery and are to be included in the inventory and in the measure of capacity

A review of the Joint Annual Reports over the period of the latest three years reveals that all rooms reported in the Joint Annual Reports have been counted in the analysis in this application.

Maxwell Aesthetics, PLLC

CN1303-009

June 26, 2013

PAGE 2

2. "Service Area" shall mean the county or counties represented by the applicant as the reasonable area to which the facility intends to provide services and/or in which the majority of its service recipients reside.

The applicant identifies Davidson and Williamson Counties as the proposed project's primary service area. The applicant notes that the applicant's patient origin includes patients from 17 other states and several foreign countries. The largest number of out of state patients resided in Kentucky, Florida, and Alabama.

It appears that this criterion has been met.

3. The majority of the population of a service area for an ambulatory surgical treatment center should reside within 30 minutes travel time to the facility.

The applicant notes that the majority of their patients will not live within 30 minute travel time of the facility.

It appears that this criterion has not been met.

4. All applicants should demonstrate the ability to perform a minimum of 800 operations and/or procedures per year per operating room and/or procedure room. This assumes 250 days x 4 surgeries/procedures x .80.

Due to the complexity of plastic surgery cases, the applicant notes it is unlikely to meet 800 cases per operating room per year. The applicant provides an alternate assumption based upon an average surgery case time of 180 minutes (3 hours) instead of 60 minutes (which would equate to 2 surgeries per day instead of 4). The assumption is 250 days x 2 surgeries x .80, which would result in 400 cases per operating room per year. The applicant expects to provide services to 427 surgical patients by the second year of operation.

It appears that the criterion of 800 operations (cases) per operating room per year has not been met.

Maxwell Aesthetics, PLLC

CN1303-009

June 26, 2013

PAGE 3

5. A certificate of need (CON) proposal to establish a new ambulatory surgical treatment center or to expand the existing services of an ambulatory surgical treatment center shall not be approved unless the existing ambulatory surgical services within the applicant's service area or within the applicant's facility are demonstrated to be currently utilized at 80% of service capacity. Notwithstanding the 80% need standard, the Health Services and Development Agency may consider proposals for additional facilities or expanded services within an existing facility under the following conditions: proposals for facilities offering limited-specialty type programs or proposals for facilities where accessibility to surgical services is limited.

In 2012, the eight ASTCs within the applicant's proposed primary service area providing plastic surgery services collectively have performed at an average of 107.0% of the ASTC utilization standard of 800 cases/room/year. The three that did not include DeLozier at 56.5%, Nashville Surgery Center at 86% and Northridge at 51.1%.

This criterion has not been met. However, according to state guidelines, the Agency may consider a proposal for an additional facility since it is for a limited-specialty service (limited to plastic surgery).

6. A CON proposal to establish an ambulatory surgical treatment center or to expand existing services of an ambulatory surgical treatment center must specify the number of projected surgical operating rooms to be designated for ambulatory surgical services.

The applicant is proposing 1 operating room.

It appears that this criterion has been met.

7. A CON proposal to establish an ambulatory surgical treatment center or to expand existing services of an ambulatory surgical treatment center must project patient utilization for each of the first eight quarters following completion of the proposed project. All assumptions,

Maxwell Aesthetics, PLLC

CN1303-009

June 26, 2013

PAGE 4

including the specific methodology by which utilization is projected, must be clearly stated.

The applicant provides projected utilization for the first 8 quarters after project completion in the Specific Criteria attachment to the application. The applicant bases projections on historical utilization of its current office based surgery suite and the utilization of existing ASTCs in Nashville.

It appears that this criterion has been met.

8. A CON proposal to establish an ambulatory surgical treatment center or to expand the existing services of an ambulatory surgical treatment center must project patient origin by percentage and county of residence. All assumptions, including the specific methodology by which utilization is projected, must be clearly stated.

The applicant's patient origin is based on the applicant's practice. The applicant reports that over 90% of the physician's patients reside in Davidson and Williamson Counties in Tennessee and in the states of Kentucky, Florida, and Alabama.

It appears that this criterion has been met.

SUMMARY:

Pursuant to the Tennessee Board of Medical Examiners Rules relative to Office Based Surgery, Maxwell Aesthetics, PLLC currently operates a certified office based surgery suite where Dr. G. Patrick Maxwell and associate Dr. Kristina O'Shaughnessy perform plastic surgery. The applicant is requesting that this certified office-based surgery suite be established as a one operating room ASTC limited to plastic surgery. The current office based suite contains 2,788 gross square feet (GSF). Only 2,000 GSF will be renovated but the ASTC will consist of all 2,788 GSF. In addition to the one operating room, the ASTC will contain one pre-op bed and two post-op beds. The applicant currently leases 5,576 GSF at this site. The remaining 2,788 GSF will contain Dr. Maxwell's private practice.

The applicant's main rationale for requesting the establishment of a new ASTC appears to center around the limited scope of procedures that are allowable in a

Maxwell Aesthetics, PLLC

CN1303-009

June 26, 2013

PAGE 5

physician office-based setting. Currently, some patients have some procedures done in the office while other procedures are performed in an ASTC or hospital. The applicant states that this is both confusing for the patient and inconvenient for both the patient and the physician. The applicant states the approval of this ASTC will streamline scheduling, enhance the patient's emotional wellbeing, and improve the continuity of care.

The applicant expects that the ten top ten procedures performed by the applicant to be:

- breast revision for cancer
- breast revision for cosmetic
- mastopexy(breast lift)
- abdominoplasty (tummy tuck)
- breast augmentation
- liposuction
- breast reduction
- cervical lift/rhytidectomy (face lift)
- blepharoplasty (eyelid)
- rhinoplasty (nose)

The applicant notes that commercial insurance will only reimburse procedures such as breast reduction, breast revision, breast reconstruction, fat grafting, and rhinoplasty (due to injury) in an ASTC, not in an office based setting (1st supplemental).

Maxwell Aesthetics is solely owned by G. Patrick Maxwell, M.D. The applicant currently leases the space for the ASTC from 2020 Investors, William H. Hawkins, Trustee. With the current lease and renewal options, the applicant will be able to stay in the current location at least until July 21, 2020.

The service area is based on the patient origin for the physician practice. Davidson and Williamson Counties in Tennessee are the primary service area. In total, 90% of the patients reside in the two primary service area counties in Tennessee and in the states of Kentucky, Florida, and Alabama. The applicant also reports patients from 17 other states and several foreign countries during 2010-2012.

According to the US Census Bureau, the population of Davidson County is estimated to have increased by 3.4% from 626,684 residents in 2010 to 648,295 residents in 2012. The population of Williamson County is estimated to increase by 5.3% from 183,180 residents in 2010 to 192,911 residents in 2012. It is estimated

Maxwell Aesthetics, PLLC

CN1303-009

June 26, 2013

PAGE 6

that the state of Tennessee grew 1.7% during this timeframe. Median household income from 2007-2011 was reported as \$46,737 in Davidson County, \$89,063 in Williamson County and for Tennessee overall as \$43,989. TennCare enrollees account for 18.6% of the total population in Davidson County, 4.4% in Williamson County and 18.7% for the State of Tennessee overall.

There are 30 ASTCs in Davidson County and 4 in Williamson County. Delozier Surgery Center in Nashville is the only ASTC in the service area limited to plastic surgery. There are six multi-specialty ASTCs in Davidson County and one (two prior to 2012) in Williamson County that perform plastic surgery procedures. The historical utilization of the ASTCs providing plastic surgery is presented in the table on the following page:

ASTC's Performing Plastic Surgery

Facility (#ORs/PRs)/(Specialty)	Plastic Surgery Cases (Patients)			Facility Total Cases (Patients)			% Changed	Plastic Surgery Cases % of Service Area (2012)	Plastic Surgery Cases % of Facility Total (2012)	Facility Total Cases % of GfG* (2012)
	2010	2011	2012	% Changed	2010	2011	2012			
Delozier Surgery Center (1)/(Plastic Only)	426	486	452	+6.1%	426	486	452	17.9%	100.0%	56.5%
Centennial Surgery Center (8)/(Multi)	355	344	287	-19.2%	7217	7405	7491	11.4%	3.8%	117.0%
Cool Springs Surgery Center (6)/(Multi)	161	136	160	-0.6%	6790	6501	7292	6.3%	2.2%	151.9%
Nashville Surgery Center (6)/(Multi)	313	338	346	+10.5%	4141	4155	4126	13.7%	8.4%	86.0%
Northridge Surgery Center (7)/(Multi)	46	35	34	-26.1%	3673	3201	2863	1.5%	1.2%	51.1%
St. Thomas Campus Surgicare (7)/(Multi)	337	326	350	+3.9%	6835	7639	7446	13.9%	4.7%	133.0%
Baptist Plaza Surgicare (10)/(Multi)	910	912	844	-7.3%	9427	9171	8215	33.5%	10.3%	102.7%
Summit Surgery Center (6)/(Multi)	105	89	50	-52.4%	6873	6505	5775	2.0%	0.9%	120.3%
Williamson Surgery Center (5)/(Multi)	184	144	***0	NA	3531	3410	***0	NA	NA	NA
Service Area Total (2012)			2523				43660			107.0%*

Source: 2009-2011 Joint Annual Reports (JAR) **2012 Provisional

*Guidelines for Growth utilization standard is 800 cases/room/year

***Williamson Surgery Center converted to outpatient surgical department of Williamson Medical Center

◇2012 Facility Total does not include Williamson Surgery Center.

Maxwell Aesthetics, PLLC

CN1303-009

June 26, 2013

PAGE 8

Based on the data in the preceding chart:

- Delozier Surgery Center (Plastic Only) - In 2012, 452 patients had plastic surgery. This accounted for 17.9% of plastic surgery cases in service area ASTCs. This facility is operating below the utilization standard of 800 cases per operating room. The single specialty facility experienced a 6.1% increase in volume between 2010 and 2012.
- Centennial Surgery Center (Multi-specialty) - In 2012, 287 patients had plastic surgery. This accounted for 3.8% of the total cases and 11.4% of the service area plastic surgery cases. This multi-specialty facility is operating above the utilization standard of 800 cases per operating room. Total volume increased by 3.8% between 2010 and 2012.
- Cool Springs Surgery Center (Multi-specialty) - In 2012, 160 patients had plastic surgery. This accounted for 2.2% of the total patients and 6.3% of service area plastic surgery cases. This facility is operating above the utilization standard of 800 cases per operating room. Total volume increased by 7.4% between 2010 and 2012.
- Nashville Surgery Center (Multi-specialty) - In 2012, 346 patients had plastic surgery. This accounted for 8.4% of the total cases and 13.7% of service area plastic surgery cases. This facility is operating below the utilization standard of 800 cases per operating room. Total volume decreased by 0.4% between 2010 and 2012.
- Northridge Surgery Center (Multi-specialty) - In 2012, 34 patients had plastic surgery. This accounted for 1.2% of the total cases and 1.5% of the service area plastic surgery cases. This facility is operating below the utilization standard of 800 cases per operating room. Total volume decreased by 22.1% decrease between 2010 and 2012.
- St. Thomas Campus Surgicare (Multi-specialty) - In 2012, 350 patients had plastic surgery. This accounted for 4.7% of the total volume and 13.9% of the service area plastic surgery cases. This facility is operating above the utilization standard of 800 cases per operating room. Total volume increased by 8.9% between 2010 and 2012.
- Baptist Plaza Surgicare (Multi-specialty) - In 2012, 844 patients had plastic surgery. This accounted for 10.3% of the total volume and 33.5% service area plastic surgery cases. This facility is operating above the utilization standard of 800 cases per operating room. Total volume decreased by 12.9% between 2010 and 2012.
- Summit Surgery Center (Multi-specialty) - In 2012, 50 patients had plastic surgery. This accounted for 0.9% of the total volume and 2.0% of the service area plastic surgery cases. This facility is operating above the

Maxwell Aesthetics, PLLC

CN1303-009

June 26, 2013

PAGE 9

utilization standard of 800 cases per operating room. Total volume decreased by 16.0% decrease between 2010 and 2012.

- In summary:
 - Eight perform plastic surgery.
 - Three perform 65.3% of the market share of plastic surgery (Baptist Plaza-33.5%; DeLozier-17.9%; St. Thomas Campus Surgicare-13.9%).
 - Two account for more than 10% of total plastic surgery cases: (DeLozier-100%, Baptist Plaza-10.3%).
 - Three did not meet the utilization standard of 800 cases/room in 2012 (DeLozier, Nashville, Northridge).
 - Four experienced a decline in total surgical volume between 2010 - 2012 (Nashville, Northridge, Baptist Plaza, and Summit).

The chart below highlights the outpatient surgery trends for hospitals in the service area. Please note that the Joint Annual Report for Hospitals does not report surgical procedures by specialty.

HOSPITAL OUTPATIENT SURGERY TRENDS

Hospital	County	2009 OP Cases	2010 OP Cases	2011 OP Cases	'09-'11% Change
Baptist Hospital	Davidson	8,054	8,291	7,601	-5.6%
Centennial Hospital	Davidson	11,571	3,858	10,817	-6.5%
Metro-Nashville Gen.	Davidson	1,780	2,438	2,716	+52.6%
St. Thomas Hospital	Davidson	2,885	3,084	3,580	+24.1%
Skyline Med. Center	Davidson	3,081	2,906	2,769	-10.1%
Southern Hills MC	Davidson	2,662	2,344	2,275	-14.5%
Summit Medical Cntr.	Davidson	3,797	3,515	2,932	-22.8%
Vanderbilt U. Hosp.	Davidson	18,597	23,674	25,631	+37.8%
Williamson MC	Williamson	3,527	3,813	4,028	+14.2%
TOTAL		55,954	53,923	62,349	+11.4%

Source: 2009-2011 JAR

The preceding chart indicates nine hospitals in the service area perform outpatient surgeries. Outpatient surgeries increased for four hospitals from 2009-2011 while the other five experienced a decline. Overall, outpatient surgery cases for service area hospitals increased 11.4% between 2009 and 2011.

The applicant reports that Drs. Maxwell and O'Shaughnessy performed 538 cases in the certified medical office based surgery suite between 2010 and 2012. They also performed 299 cases in area ASTCs during this same period (138 at,

Maxwell Aesthetics, PLLC

CN1303-009

June 26, 2013

PAGE 10

Centennial Surgery Center and 161). During this same period, 166 inpatient procedures were performed at Baptist Hospital. Inpatient procedures will continue to be scheduled at Baptist Hospital.

Based on historical utilization, the two physicians average 303 outpatient surgical cases annually. The applicant projects that 379 cases will be performed in Year 1 and 427 cases in Year 2.

The current ASTC utilization standard is 800 cases/room/year, assuming 800 is 80% of full capacity and the average time of an outpatient surgery case is 60 minutes. The applicant states the average case time for this ASTC will be 3 hours or 180 minutes. The applicant contends that no more than two cases can be completed in the 1-OR ASTC per day. This would result in capacity being 500 cases and 80% of that would be 400 cases. The applicant indicates that rhytidectomy (face-lift), breast revisions, and cases with procedures such as blepharoplasty (eyelids), and abdominoplasty (tummy tuck) can take up to 4 hours.

Year 1 Medicare and TennCare net revenues are projected at \$117,805 (8%) and \$14,726 (1%), respectively. The applicant notes that individuals and/or insurance policies usually reimburse plastic surgery so the payor mix includes 49% commercial insurance and 40% private pay. The applicant stated that contracts will be requested of the three TennCare MCOs in the service area: AmeriGroup, AmeriChoice, and BCBS of Tennessee.

Year 1 average gross charge is \$6,212/case and Year 2 is \$6,218. The average net charge is estimated to be \$3,885/case in Year 1 and \$3,887 in Year 2. The applicant was asked to explain the variation in charges between the only existing ASTC limited to plastic surgery in the service area and the applicant's projected charges. The existing facility (DeLozier) reported a gross charge of \$1,421/case and net charge of \$1,128/case. The applicant identifies three possible scenarios for this variance:

- the other facility is not providing similar services
- high cost supplies such as implants and alloderm are being charged through the physician professional fees
- JAR is incorrect

The projected 379 cases will produce Gross Operating Revenues (GOR) of \$2,354,352 in Year 1, growing to 427 cases and \$2,655,140 GOR in Year 2. Deductions from Operating Revenue of 37% will reduce the Net Operating

Maxwell Aesthetics, PLLC

CN1303-009

June 26, 2013

PAGE 11

Revenue (NOR) to \$1,472,565 in the first year and \$1,659,614 in the second year. Net Operating Income of \$146,393 is projected in the Year 1, while \$164,814 in Net Operating Income is estimated in the Year 2. Gross operating margin is expected to be 6.2% in Years 1 and 2.

Since the application is for the establishment of a new facility, the applicant did not file a Historical Data Chart.

The project cost is estimated to be \$1,322,564. The major cost components are the fair market value of the building (\$700,000), construction, and contingency costs of \$313,742, and \$100,000 for moveable equipment.

The applicant plans to fund the project through cash reserves. A letter from Dr. Maxwell's business and financial manager indicated that Dr. Maxwell had in excess of \$7 million uncommitted funds available which is in excess of the funds required for the proposed project.

The applicant states that no additional staff will be needed for the project as all existing staff are part-time and will work more hours. The staffing for the proposed project will be 1.0 FTE RN, 1.0 FTE Tech, and 1.0 FTE 1st Assistant.

The applicant also noted that the office based surgery suite has a contractual relationship with a certified registered nurse anesthetist (CRNA) and that the relationship will be maintained for the ASTC.

The applicant provided documentation of a transfer agreement with Baptist Hospital. The applicant expects to be licensed by the Tennessee Department of Health as an ASTC, be Medicare/Medicaid certified, and be accredited by the Accreditation Association for Ambulatory Health Care, Inc.

The applicant has submitted the required ownership and property information. HSDA staff has reviewed these documents. Copies of the documents are available at the Agency office and will be available for member review at the Agency meeting.

Should the Agency vote to approve this project, the CON would expire in two years.

Maxwell Aesthetics, PLLC

CN1303-009

June 26, 2013

PAGE 12

CERTIFICATE OF NEED INFORMATION FOR THE APPLICANT:

There are no other letters of intent, pending or denied applications, or outstanding Certificates of Need for this applicant.

CERTIFICATE OF NEED INFORMATION FOR OTHER PROPOSED FACILITIES IN THE 2-COUNTY SERVICE AREA:

There are no Letters of Intent, denied or pending applications for other health care organizations proposing this type of service.

Outstanding Certificates of Need

Delozier Surgery Center, CN1108-028A has an outstanding Certificate of Need that will expire September 1, 2014. The Certificate of Need was approved at the January 25, 2012 Agency meeting to modify the existing facility and expand from its current single surgical operating room by adding a second surgical operating room. The estimated cost is **\$281,835.00**. *Progress Report: The addition of the operating room is currently in the architectural/design planning stage according to a 6/3/13 e-mail from the applicant's representative.*

PLEASE REFER TO THE REPORT BY THE DEPARTMENT OF HEALTH, DIVISION OF HEALTH STATISTICS, FOR A DETAILED ANALYSIS OF THE STATUTORY CRITERIA OF NEED, ECONOMIC FEASIBILITY, AND CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE IN THE AREA FOR THIS PROJECT. THAT REPORT IS ATTACHED TO THIS SUMMARY IMMEDIATELY FOLLOWING THE COLOR DIVIDER PAGE.

MAF

Rev.06/13/13mh

WEEKS & ANDERSON

An Association of Attorneys

2021 RICHARD JONES ROAD, SUITE 350
NASHVILLE, TENNESSEE 37215-2874
TELEPHONE 615/383-3332
FACSIMILE 615/383-3480

KENT M. WEEKS
ROBERT A. ANDERSON

F. B. MURPHY, JR.
E. GRAHAM BAKER, JR.

DIRECT TELEPHONE NUMBER: 615/370-3380

June 13, 2013

Ms. Melanie Hill, Executive Director
Health Services and Development Agency
Frost Building, 3rd Floor
161 Rosa L. Parks Blvd.
Nashville, Tennessee 37243

Re: Maxwell Aesthetics, PLLC – CN1303-009
Your Email of June 12, 2013

Dear Melanie:

I apologize. The 72 outpatient cases, originally reported as being performed at Baptist Ambulatory Surgery Center, were really performed at Baptist Hospital. Therefore, the numbers change, and those 72 cases were NOT performed in an ASTC, but were additional outpatient cases performed at Baptist Hospital during that time period.

I will be happy to update all references in the original CON application if needed. Please advise.

Sincerely,


E. Graham Baker, Jr.
/np

c: Kathy Byrd
Karen Moore
Rodney Lunn

LETTER OF INTENT



2013 MAR -7 AM 10: 49

LETTER OF INTENT TENNESSEE HEALTH SERVICES AND DEVELOPMENT AGENCY

The Publication of Intent is to be published in the The Tennessean which is a newspaper of general
(Name of Newspaper)

circulation in Davidson County, Tennessee, on or before March 10, 2013 for one day.
(County) (Month / day) (Year)

=====

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. §68-11-1601, et seq., and the Rules of the Health Services and Development Agency, that Maxwell Aesthetics, PLLC, 2020 21st Avenue, South, Nashville, Davidson County, Tennessee, 37212 ("Applicant"), managed by itself and owned by G. Patrick Maxwell, M.D. (same address), ("Owner"), intends to file a Certificate of Need application for the construction, development and establishment of an Ambulatory Surgical Treatment Center ("ASTC") containing one operating room and limited to plastic surgery, only. There is no major medical equipment involved with this project. No other health services will be initiated or discontinued. It is proposed that the Applicant will be licensed by the Tennessee Department of Health. The estimated project cost is anticipated to be approximately \$1,500,000.00, including filing fee.

The anticipated date of filing the application is: March 15, 2013.

The contact person for this project is E. Graham Baker, Jr.
(Contact Name)

Attorney
(Title)

who may be reached at: his office at
(Company Name)

2021 Richard Jones Road, Suite 350
(Address)

Nashville
(City)

TN
(State)

37215
(Zip Code)

615/370-3380
(Area Code / Phone Number)

E. Graham Baker, Jr.
(Signature)

March 07, 2013
(Date)

graham@grahambaker.net
(E-mail Address)

=====

The Letter of Intent must be filed in triplicate and received between the first and the tenth day of the month. If the last day for filing is a Saturday, Sunday or State Holiday, filing must occur on the preceding business day. File this form at the following address:

**Health Services and Development Agency
Frost Building
161 Rosa L. Parks Blvd., 3rd Floor
Nashville, Tennessee 37243**

=====

The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

=====

* The project description must address the following factors:

1. General project description, including services to be provided or affected.
2. Location of facility: street address, and city/town.
3. Total number of beds affected; licensure proposed for such beds, and intended uses.
4. Major medical equipment involved.

ORIGINAL APPLICATION



2013 MAR 15 PM 1:19

**CERTIFICATE OF NEED
APPLICATION**

For

**An Ambulatory Surgical Treatment Center ("ASTC")
Limited to Plastic Surgery Procedures**

by

**Maxwell Aesthetics, PLLC
2020 21st Avenue, South
Nashville (Davidson County) TN, 37212**

**STATE OF TENNESSEE
HEALTH SERVICES AND DEVELOPMENT AGENCY
Frost Building
161 Rosa L. Parks Blvd., 3rd Floor
Nashville, Tennessee 37243
615/741-2364**

FILING DATE: March 15, 2013

SECTION A: APPLICANT PROFILE

19

1. Name of Facility, Agency or InstitutionMaxwell Aesthetics, PLLC

Name

2013 MAR 15 PM 7:19

2020 21st Avenue, South

Street or Route

Davidson

County

Nashville,

City

TN

State

37212

Zip Code

2. Contact Person Available for Responses to QuestionsE. Graham Baker, Jr.

Name

Attorney

Title

Weeks and Anderson

Company Name

graham@grahambaker.net

e-mail address

2021 Richard Jones Road, Suite 350

Street or Route

Nashville,

City

TN

State

37215

Zip Code

Attorney

Association with Owner

615/370-3380

Phone Number

615/221-0080

Fax Number

3. Owner of the Facility, Agency, or InstitutionG. Patrick Maxwell, M.D.

Name

(615) 932-7700

Phone Number

2020 21st Avenue, South

Street or Route

Davidson

County

Nashville,

City

TN

State

37212

Zip Code

4. Type of Ownership of Control (Check One)A. Sole Proprietorship ☐B. Partnership ☐C. Limited Partnership ☐D. Corporation (For-Profit) ☐E. Corporation (Not-for-Profit) ☐F. Governmental (State of Tenn.
or Political Subdivision) ☐G. Joint Venture ☐H. Limited Liability Company ☐I. Other (Specify) ☐Professional LLCX

PUT ALL ATTACHMENTS AT THE BACK OF THE APPLICATION IN ORDER AND REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS. See Attachment A.4.

SECTION A:**APPLICANT PROFILE**

Please enter all Section A responses on this form. All questions must be answered. If an item does not apply, please indicate "N/A". *Attach appropriate documentation as an Appendix at the end of the application and reference the applicable Item Number on the attachment.*

Section A, Item 1: Facility Name must be applicant facility's name and address must be the site of the proposed project.

Response: The Applicant is Maxwell Aesthetics, PLLC, 2020 21st Avenue, South, Nashville, (Davidson County), Tennessee, 37212, and is managed by itself. The Owner of the Applicant is G. Patrick Maxwell, M.D. (same address).

Section A, Item 3: Attach a copy of the partnership agreement, or corporate charter and certificate of corporate existence, if applicable, from the Tennessee Secretary of State.

Response: The requested documents for the Applicant are included in the application as *Attachment A.4*. Note that when the Applicant was originally formed, the name of the Applicant was Nashville Plastic Surgery, Ltd, and that company eventually adopted the name Nashville Plastic Surgery, PLLC. The Applicant's name was changed on January 14, 2008 to Maxwell Aesthetics, PLLC.

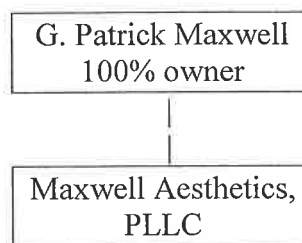
Dr. G. Patrick Maxwell is the sole equity member of the professional limited liability company.

Section A, Item 4: Describe the existing or proposed ownership structure of the applicant, including an ownership structure organizational chart. Explain the corporate structure and the manner in which all entities of the ownership structure relate to the applicant. As applicable, identify the members of the ownership entity and each member's percentage of ownership, for those members with 5% or more ownership interest. In addition, please document the financial interest of the applicant, and the applicant's parent company/owner in any other health care institution as defined in Tennessee Code Annotated, §68-11-1602 in Tennessee. At a minimum, please provide the name, address, current status of licensure/certification, and percentage of ownership for each health care institution identified.

Response: The Applicant is Maxwell Aesthetics, PLLC, 2020 21st Avenue, South, Nashville, (Davidson County), Tennessee, 37212, and is managed by itself. The Owner of the Applicant is G. Patrick Maxwell, M.D. (same address).

Dr. G. Patrick Maxwell is the sole equity member of the professional limited liability company.

See the following organizational chart:



Neither the Applicant nor the Owner have any ownership in any other health care institution.

Section A, Item 5: For new facilities or existing facilities without a current management agreement, attach a copy of a draft management agreement that at least includes the anticipated scope of management services to be provided, the anticipated term of the agreement, and the anticipated management fee payment methodology and schedule. For facilities with existing management agreements, attach a copy of the fully executed final contract

Please describe the management entity's experience in providing management services for the type of the facility, which is the same or similar to the applicant facility. Please describe the ownership structure of the management entity.

Response: The facility has no outside management.

Section A, Item 6: For applicants or applicant's parent company/owner that currently own the building/land for the project location, attach a copy of the title/deed. For applicants or applicant's parent company/owner that currently lease the building/land for the project location, attach a copy of the fully executed lease agreement. For projects where the location of the project has not been secured, attach a fully executed document including Option to Purchase Agreement, Option to Lease Agreement, or other appropriate documentation. Option to Purchase Agreements must include anticipated purchase price. Lease/Option to Lease Agreements must include the actual/anticipated term of the agreement and actual/anticipated lease expense. The legal interests described herein must be valid on the date of the Agency's consideration of the certificate of need application.

Response: The Applicant leases the real estate from 2020 Investors, William H. Hawkins, Trustee. Please see *Attachment A.6*. The original lease began on July 17, 2006 and ended on July 31, 2011, with several years of options by the Lessor to extend the lease. Originally, the Lessor was Surface Medical Spas Southeast, LLC, but that lease was assigned to the Applicant on July 12, 2006. The Applicant is in a three year extension term, and has two more three-year extension terms available. If all current extensions are exercised, the Applicant will be able to stay in its currently location until July 31, 2020.

Attachment A.6 contains both the original lease and the amended (assigned) lease documents. Please note that the total amount of space under lease by the Applicant totals 5,576 GSF. All of this space is located on the first floor of the building. The building is divided into two sections (for our purposes, left and right, looking from 21st Avenue, South). Dr. Maxwell's private practice is located on the right side of the building's first floor, and his existing office based surgery suite is located on the left side of the building's first floor.

The leased space for the existing office based surgery suite totals 2,788 GSF. Of this space, only 2,000 GSF will be renovated, as some of the existing space is suitable, as is. The Gross Square Footage Chart shows that 2,000 GSF will be renovation. Following this renovation, the ASTC will consist of 2,788 GSF.

Finally, as the space is already under lease to the Applicant, no other lease assignment is required.

5. ²⁴
Name of Management/Operating Entity (If Applicable)

Name _____

Street or Route _____

County _____

City _____

State _____

Zip Code _____

PUT ALL ATTACHMENTS AT THE BACK OF THE APPLICATION IN ORDER AND REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS. Not Applicable

6. **Legal Interest in the Site of the Institution (Check One)**

- | | | | |
|----------------------------|----------|--------------------|-------|
| A. Ownership | _____ | D. Option to Lease | _____ |
| B. Option to Purchase | _____ | E. Other (Specify) | _____ |
| C. Lease of <u>3</u> Years | <u>X</u> | | |

PUT ALL ATTACHMENTS AT THE BACK OF THE APPLICATION IN ORDER AND REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS. See Attachment A.6.

7. **Type of Institution (Check as appropriate--more than one response may apply.)**

- | | | | |
|--|----------|--|-------|
| A. Hospital | _____ | I. Nursing Home | _____ |
| B. Ambulatory Surgical Treatment Center (Multi-Specialty) | _____ | J. Outpatient Diagnostic Center | _____ |
| C. ASTC (Plastic Procedures, Only) | <u>X</u> | K. Recuperation Center | _____ |
| D. Home Health Agency | _____ | L. Rehabilitation Facility | _____ |
| E. Hospice | _____ | M. Residential Hospice | _____ |
| F. Mental Health Hospital | _____ | N. Non-Residential Methadone Facility | _____ |
| G. Mental Health Residential Treatment Facility | _____ | O. Birthing Center | _____ |
| H. Mental Retardation Institutional Habilitation Facility (ICF/MR) | _____ | P. Other Outpatient Facility (Specify) _____ | _____ |
| | | Q. Other (Specify) _____ | _____ |

8. **Purpose of Review (Check as appropriate--more than one response may apply.)**

- | | | | |
|--|----------|--|-------|
| A. New Institution | <u>X</u> | H. Change In Bed Complement (Please note the type of change by underlining the appropriate response: Increase, Decrease Designation, Distribution, Conversion, Relocation) | _____ |
| B. Replacement/Existing Facility | _____ | I. Change of Location | _____ |
| C. Modification/Existing Facility | _____ | J. Other (Specify) _____ | _____ |
| D. Initiation of Health Care Service as defined in TCA § 68-11-1607(4) | _____ | | |
| E. Specify _____ | _____ | | |
| F. Discontinuance of OB Services | _____ | | |
| G. Acquisition of Equipment | _____ | | |

9. Bed Complement Data

25

Please indicate current and proposed distribution and certification of facility beds.

Response: Not Applicable.

	Current Beds		Staffed	Beds	TOTAL
	<u>Licensed</u>	<u>CON*</u>	<u>Beds</u>	<u>Proposed</u>	<u>Beds at Completion</u>
A. Medical	_____	_____	_____	_____	_____
B. Surgical	_____	_____	_____	_____	_____
C. Long-Term Care Hospital	_____	_____	_____	_____	_____
D. Obstetrical	_____	_____	_____	_____	_____
E. ICU/CCU	_____	_____	_____	_____	_____
F. Neonatal	_____	_____	_____	_____	_____
G. Pediatric	_____	_____	_____	_____	_____
H. Adult Psychiatric	_____	_____	_____	_____	_____
I. Geriatric Psychiatric	_____	_____	_____	_____	_____
J. Child/Adolescent Psychiatric	_____	_____	_____	_____	_____
K. Rehabilitation	_____	_____	_____	_____	_____
L. Nursing Facility (non-Medicaid Certified)	_____	_____	_____	_____	_____
M. Nursing Facility Level 1 (Medicaid only)	_____	_____	_____	_____	_____
N. Nursing Facility Level 2 (Medicare only)	_____	_____	_____	_____	_____
O. Nursing Facility Level 2 (dually-certified)	_____	_____	_____	_____	_____
P. ICF/MR	_____	_____	_____	_____	_____
Q. Adult Chemical Dependency	_____	_____	_____	_____	_____
R. Child & Adolescent Chemical Dependency	_____	_____	_____	_____	_____
S. Swing Beds	_____	_____	_____	_____	_____
T. Mental Health Residential Treatment	_____	_____	_____	_____	_____
U. Residential Hospice	_____	_____	_____	_____	_____
TOTAL	_____	_____	_____	_____	_____

*CON Beds approved but not yet in service

Note: No licensed beds are involved with this project, but there will be one pre-op bed and two post-op beds in the ASTC.

10. Medicare Provider Number 26
Certification Type to be applied for
ASTC
11. Medicaid Provider Number to be applied for
Certification Type ASTC

12. If this is a new facility, will certification be sought for Medicare and/or Medicaid?

Response: This will be a new facility, and both Medicare and Medicaid certification will be sought. Contracts will be requested of AmeriGroup, AmeriChoice (UHC), and BCBS of Tennessee. According to the State map on the TennCare website, all three of these MCOs provide services to Davidson and Williamson Counties, which are the only Tennessee Counties in our service area. AmeriChoice is now called Community Plan, and is administered by UHC. Please see *Attachment A.12*.

13. Identify all TennCare Managed Care Organizations/Behavioral Health Organizations (MCOs/BHOs) operating in the proposed service area. Will this project involve the treatment of TennCare participants? Yes If the response to this item is yes, please identify all MCOs/BHOs with which the applicant has contracted or plans to contract. Discuss any out-of-network relationships in place with MCOs/BHOs in the area.

Response: Contracts will be requested of AmeriGroup, AmeriChoice (UHC), and BCBS of Tennessee. According to the State map on the TennCare website, all three of these MCOs provide services to the Middle Tennessee area which encompasses our proposed service area. AmeriChoice is now called Community Plan, and is administered by UHC. . Please see *Attachment A.12*.

Dr. Kristina O'Shaughnessy, an associate of the Owner, has TennCare contracts with AmeriGroup, AmeriChoice (UHC), and BCBS of Tennessee. Additionally, Dr. O'Shaughnessy has contracts with Aetna, Bluegrass Family Health, Center Care, Choice Care (Humana), Cigna Healthcare of TN, Corvel Corporation, Coventry/First Health, Great West Life, and Healthpayor's Organization/IHG.

Finally, Dr. Maxwell takes TennCare patients out of network.

27

NOTE: *Section B is intended to give the applicant an opportunity to describe the project and to discuss the need that the applicant sees for the project. Section C addresses how the project relates to the Certificate of Need criteria of Need, Economic Feasibility, and the Contribution to the Orderly Development of Health Care. Discussions on how the application relates to the criteria should not take place in this section unless otherwise specified.*

SECTION B: PROJECT DESCRIPTION

Please answer all questions on 8 1/2" x 11" white paper, clearly typed and spaced, identified correctly and in the correct sequence. In answering, please type the question and the response. All exhibits and tables must be attached to the end of the application in correct sequence identifying the questions(s) to which they refer. If a particular question does not apply to your project, indicate "Not Applicable (NA)" after that question.

I. Provide a brief executive summary of the project not to exceed two pages. Topics to be included in the executive summary are a brief description of proposed services and equipment, ownership structure, service area, need, existing resources, project cost, funding, financial feasibility and staffing.

Response: Maxwell Aesthetics, PLLC, 2020 21st Avenue, South, Nashville, (Davidson County), Tennessee, 37212 ("Applicant"), managed by itself and owned by G. Patrick Maxwell, M.D. (same address), ("Owner"), files this application for the construction, development and establishment of an Ambulatory Surgical Treatment Center ("ASTC") containing one operating room and limited to plastic surgery, only. There is no major medical equipment involved with this project. No other health services will be initiated or discontinued. It is proposed that the Applicant will be licensed by the Tennessee Department of Health. The estimated project cost is anticipated to be \$1,322,564.00, including filing fee.

No licensed beds are involved with this project, but there will be one pre-op bed and two post-op beds in the ASTC.

Maxwell Aesthetics, PLLC is currently licensed as a "Certified Medical Office Based Surgery Suite" (please see *Attachment B.I.A.1*). Upon approval and licensure as an ASTC, this existing certification will be voluntarily surrendered. The same space now being utilized as an office based surgery suite will be upgraded to be licensed as an ASTC.

The Applicant leases the real estate from 2020 Investors, William H. Hawkins, Trustee. Please see *Attachment A.6*. The original lease began on July 17, 2006 and ended on July 31, 2011, with several years of options by the Lessor to extend the lease. Originally, the Lessor was Surface Medical Spas Southeast, LLC, but that lease was assigned to the Applicant on July 12, 2006. The Applicant is in a three year extension term, and has two more three-year extension terms available. If all current extensions are exercised, the Applicant will be able to stay in its currently location until July 31, 2020.

Attachment A.6 contains both the original lease and the amended (assigned) lease documents. Please note that the total amount of space under lease by the Applicant totals 5,576 GSF. All of this space is located on the first floor of the building. The building is divided into two sections (for our purposes, left and right, looking from 21st Avenue, South). Dr. Maxwell's private practice is located on the right side of the building's first floor, and his existing office based surgery suite is located on the left side of the building's first floor.

The leased space for the existing office based surgery suite totals 2,788 GSF. Of this space, only 2,000 GSF will be renovated, as some of the existing space is suitable as is. The Gross Square Footage Chart shows the 2,000 GSF renovation costs. Following this renovation, the ASTC will consist of 2,788 GSF.

Finally, as the space is already under lease to the Applicant, no other lease assignment is required.

The types of procedures that are allowable under office based surgery certifications are limited in scope. As such, a patient may have some procedures performed at the Applicant's office, and other procedures have to be scheduled at either an existing ASTC or hospital. Sometimes, this is confusing to the patients, or, at the very least, inconvenient for both patients and physicians. Other times, several procedures are required of patients, perhaps with one procedure at the office based surgical suite, and the next procedure in an ASTC setting. Again, this is confusing to the patient, and it would be better for both patients and physicians to simplify the scheduling of such procedures to one ASTC, if possible. Upon approval of this application, more procedures can be scheduled at one place, thereby streamlining the scheduling of such procedures for both patients and physicians alike. Additionally, in order to enhance each patient's emotional well being, the Applicant will provide a greater degree of patient confidentiality by offering total patient privacy, including a private entrance. Further, by performing more procedures at one location, patients will receive better one-on-one patient care due to the continuity of specialized trained staff. The top ten procedures anticipated to be performed, along with their respective gross charges, are included as *Attachment B.I.A.2*.

The Applicant will apply for Medicare and Medicaid certification, and will also apply for accreditation by the Accreditation Association for Ambulatory Health Care, Inc. ("AAAHHC").

The primary service area will include two Middle Tennessee counties (Davidson and Williamson) and several other states. Drs. Maxwell and O'Shaughnessy are both nationally and internationally known, and their patient origin reflects such.

There is only one ASTC in our Tennessee service area that is limited to plastic surgery, only: Delozier Surgery Center in Nashville (please see *Attachment B.I.A.3*). That facility performed 992 procedures on 486 patients in 2011, and performed 992 procedures per operating room, above the current Guidelines level. This equates to 2.04 procedures per patient, at that facility. There are nine existing ASTCs in Davidson and Williamson County (7 and 2, respectively) that reported performing some plastic surgical procedures in 2011. These ASTCs provided 5,538 plastic surgery procedures for 2,324 patients in 2011. It is impossible to account for plastic surgery procedure utilization per operating room. However, the total operating room utilization for these nine ASTCs totaled 2,105 procedures per room, and about 889 patients per operating room, both figures above the current Guidelines level (please see *Attachment B.I.A.4* – a 3 page attachment). This equates to an average of about 2.6 procedures per patient session.

Finally, there are several general med/surg hospitals in Davidson and Williamson Counties where plastic surgery can be performed. Unfortunately, Joint Annual Reports for Hospitals do not list whether or not plastic surgery is performed, but the Applicant makes the assumption that such surgery can be performed at such hospitals. We do know that our inpatient plastic surgery is performed at Baptist Hospital in Nashville. Please see the chart below for a list of these hospitals:

**General Med/Surg. Hospitals
In Tennessee Service Area**

Davidson Co.
Baptist
Metropolitan Nashville General
Centennial Medical Ctr.
Saint Thomas
Skyline Medical Ctr.
Skyline Madison Campus
Southern Hills Medical Ctr.
Summit Medical Ctr.
Vanderbilt University
Williamson Co.
Williamson Medical Ctr.

Plot Plan and footprints are included as *Attachments B.III.A. and B.IV* (a two page attachment showing existing space and after renovation).

This project is financially feasible, and compares very favorably to recent ASTC applications that have been filed with the HSDA. The Project Costs Chart indicates only \$515,242 to implement this project, some of which have either already been paid or are soft costs (administrative costs in preparing the CON application). Only \$100,000.00 will be needed to purchase additional equipment. A chart prepared by the HSDA and provided later in this application indicates that the median construction cost per ASTC for renovation/construction median was \$100.47/GSF for renovation, \$252.74/GSF for new construction. This project involves some construction, but mostly renovation, as no new GSF will be added to the existing space. As such, it would be anticipated that the cost/GSF would be on the lower end of those two numbers. In fact, the actual construction/renovation costs (\$238,242) divided by the total gross square feet of the renovated space (2,000) indicates this renovation will cost approximately \$119.12/GSF (See *Attachment C.EF.1*, a 2 page contractor letter regarding costs).

Funding for the project will be through cash reserves of the Owner (see *Attachment C.EF.2*). Plastic surgery is usually reimbursed by individuals and/or insurance policies. For that reason, the ASTC's proposed payor mix is as follows: TennCare 01%; Medicare 08%; Commercial Insurance, 49%; and private pay 40%. It is noteworthy that the only ASTC in Nashville that is limited to plastic surgery, only, had no Medicare patients and no TennCare patients in 2009, 2010, or 2011.

We currently have sufficient staff to implement this project. All of our existing office based surgery suite staff currently work on a part time basis. Their hours will increase to cover all staffing requirements.

The site is close to downtown Nashville, and is readily accessible to our patients and their families. We will be located very close to many of the hospitals in Nashville, and are only about one-half mile from Vanderbilt University Medical Center.

30
The current physician owner, and other physicians who plan to utilize this ASTC if this application is approved, will continue to utilize inpatient facilities for all patients whose respective surgeries warrant such. Normally, the Applicant's inpatient procedures are performed at Baptist Hospital, approximately 2 miles away.

31

II. Provide a detailed narrative of the project by addressing the following items as they relate to the proposal.

- A. Describe the construction, modification and/or renovation of the facility (exclusive of major medical equipment covered by T.C.A. § 68-11-1601 et seq.) including square footage, major operational areas, room configuration, etc. Applicants with hospital projects (construction cost in excess of \$5 million) and other facility projects (construction cost in excess of \$2 million) should complete the Square Footage and Cost per Square Footage Chart. Utilizing the attached Chart, applicants with hospital projects should complete Parts A.-E. by identifying as applicable nursing units, ancillary areas, and support areas affected by this project. Provide the location of the unit/service within the existing facility along with current square footage, where, if any, the unit/service will relocate temporarily during construction and renovation, and then the location of the unit/service with proposed square footage. The total cost per square foot should provide a breakout between new construction and renovation cost per square foot. Other facility projects need only complete Parts B.-E. Please also discuss and justify the cost per square foot for this project.

If the project involves none of the above, describe the development of the proposal.

Response: The Owner of the Applicant performs plastic surgery in a Certified Medical Office Based Surgery Suite (see *Attachment B.I.A.1*) at 2020 21st Avenue, South, Nashville (Davidson County), Tennessee 37212. Existing space, already under lease by the Applicant, will be renovated and updated to accommodate a one OR ASTC with pre-op and recovery space, and other anticipated administrative and support space (See *Attachment B.IV*). Dr. Maxwell and Dr. O'Shaughnessy performed 538 in-office procedures in 2010 - 2012. During the same period of time, 465 procedures were performed in other licensed facilities in Nashville. See the chart below:

**Surgery Cases Performed by Applicant Surgeons
2010 - 2012**

Surgery Site	Cases
In Office	538
Centennial Surgery Center	138
Baptist Plaza Surgicare	161
Baptist Ambulatory Surgery Center	72
Baptist Hospital	94
Total	1003

Note: One Case = One Patient

The above chart indicates that the vast majority of these procedures (all but 94) were performed either in-office or at existing ASTCs. The annual average of outpatient cases is approximately 303. The Applicant anticipates having 379 and 427 cases in Years 1 and 2, respectively. This estimate is conservative, since Dr. O'Shaughnessy did not perform surgery for approximately 10 months of the 36 month period during 2010 – 2012. Inpatient procedures will continue to be scheduled at Baptist Hospital.

The types of procedures that are allowable under office based surgery certifications are limited in scope. As such, a patient may have some procedures performed at the Applicant's office, and other procedures have to be scheduled at either an existing ASTC or hospital. Sometimes, this is confusing to the patients, or, at the very least, inconvenient for both patients and physicians. Other times, several procedures are required of patients, perhaps with one procedure at the office based surgical suite, and the next procedure in an ASTC setting. Again, this is confusing to the patient, and it would be better for both patients and physicians to simplify the scheduling of such procedures to one ASTC, if possible. Upon approval of this application, more procedures can be scheduled at one place, thereby streamlining the scheduling of such procedures for both patients and physicians alike. Additionally, in order to enhance each patient's emotional well being, the Applicant will provide a greater degree of patient confidentiality by offering total patient privacy, including a private entrance. Further, by performing more procedures at one location, patients will receive better one-on-one patient care due to the continuity of specialized trained staff. The top ten procedures anticipated to be performed, along with their respective gross charges, are included as *Attachment B.I.A.2*.

This project is financially feasible, and compares very favorably to recent ASTC applications that have been filed with the HSDA. The Project Costs Chart indicates only \$515,242 to implement this project, some of which have either already been paid or are soft costs (administrative costs in preparing the CON application). Only \$100,000.00 will be needed to purchase additional equipment. A chart prepared by the HSDA and provided later in this application indicates that the median construction cost per ASTC for renovation/construction median was \$100.47/GSF for renovation, \$252.74/GSF for new construction. This project involves some construction, but mostly renovation. As such, it would be anticipated that the cost/GSF would be on the lower end of those two numbers. In fact, the actual construction/renovation costs (\$238,242) divided by the total gross square feet to be renovated (2,000) indicates this renovation will cost approximately \$119.12/GSF (See *Attachment C.EF.1*).

Funding for the project will be through cash reserves of the Owner (see *Attachment C.EF.2*).

The approval of this project will enhance the surgical care of patients in our service area.

B. Identify the number and type of beds increased, decreased, converted, relocated, designated, and/or redistributed by this application. Describe the reasons for change in bed allocations and describe the impact the bed change will have on the existing services.

Response: Not applicable.

C. As the applicant, describe your need to provide the following health care services (if applicable to this application):

2013 MAR 15 PM 1:19

1. Adult Psychiatric Services
2. Alcohol and Drug Treatment for Adolescents (exceeding 28 days)
3. Birthing Center
4. Burn Units
5. Cardiac Catheterization Services
6. Child and Adolescent Psychiatric Services
7. Extracorporeal Lithotripsy
8. Home Health Services
9. Hospice Services
10. Residential Hospice
11. ICF/MR Services
12. Long-term Care Services
13. Magnetic Resonance Imaging (MRI)
14. Mental Health Residential Treatment
15. Neonatal Intensive Care Unit
16. Non-Residential Methadone Treatment Centers
17. Open Heart Surgery
18. Positron Emission Tomography
19. Radiation Therapy/Linear Accelerator
20. Rehabilitation Services
21. Swing Beds

Response: Not Applicable, as no services listed above will be provided.

35

D. Describe the need to change location or replace an existing facility.

Response: Not Applicable.

E. Describe the acquisition of any item of major medical equipment (as defined by the Agency Rules and the Statute) which exceeds a cost of \$1.5 million; and/or is a magnetic resonance imaging (MRI) scanner, positron emission tomography (PET) scanner, extracorporeal lithotripter and/or linear accelerator by responding to the following:

1. For fixed-site major medical equipment (not replacing existing equipment):

a. Describe the new equipment, including:

- 1. Total cost; (As defined by Agency Rule).**
- 2. Expected useful life;**
- 3. List of clinical applications to be provided; and**
- 4. Documentation of FDA approval.**

b. Provide current and proposed schedules of operations.

Response: Not Applicable.

2. For mobile major medical equipment:

- a. List all sites that will be served;**
- b. Provide current and/or proposed schedule of operations;**
- c. Provide the lease or contract cost.**
- d. Provide the fair market value of the equipment; and**
- e. List the owner for the equipment.**

Response: Not Applicable.

3. Indicate applicant's legal interest in equipment (i.e., purchase, lease, etc.) In the case of equipment purchase include a quote and/or proposal from an equipment vendor, or in the case of an equipment lease provide a draft lease or contract that at least includes the term of the lease and the anticipated lease payments.

Response: Not Applicable.

III. (A) Attach a copy of the plot plan of the site on an 8 1/2" x 11" sheet of white paper which must include:

1. Size of site (*in acres*)
2. Location of structure on the site; and
3. Location of the proposed construction.
4. Names of streets, roads or highway that cross or border the site.

Please note that the drawings do not need to be drawn to scale. Plot plans are required for all projects.

Response:

1. The site is approximately 0.472 Acres. Please see attached plot plan (*Attachment B.III.A*).
2. *Attachment B.III.A* indicates the location of the existing building. The Applicant has 5,576 GSF under lease (approximately one-half of the existing building), all on the first floor. The ASTC will be located on the left (shaded) side of the first floor of the building, and will total approximately 2,788 GSF. Only 2,000 GSF of the existing space will be renovated.
3. There is no proposed construction, if defined as building out new space. All space is currently in place, under roof, and under lease, but some of the space will be renovated. Some walls will be demolished and others constructed.
4. The site is located on 21st Avenue, South in Mid-Town Nashville, and is located about one-half mile from Vanderbilt University Medical Center. The site is readily accessible to patients and their families, and public transportation is readily available. As noted on *Attachment B.III.A*, the site is on the corner of Bernard Road and 21st Avenue, South.

(B) Describe the relationship of the site to public transportation routes, if any, and to any highway or major road developments in the area. Describe the accessibility of the proposed site to patients/clients.

Response: The site is located in Mid-town Nashville, and is close to area hospitals, as below:

Approximate distance and travel time to Applicant Facility

Hospital	Travel Time	Distance (Miles)
Vanderbilt University Medical Center	2 mins	0.5
Baptist Hospital	7 mins	2.2
St. Thomas Hospital	7 mins	3.8
Centennial Medical Center	9 mins	2.3
Metro/General Hospital	8 mins	5.9

37
Source: Time/Distance according to MapQuest.

Further, the site is located on the corner of Bernard Road and 21st Avenue South, and public transportation is readily available.

IV. Attach a floor plan drawing for the facility which includes legible labeling of patient care rooms (noting private or semi-private), ancillary areas, equipment areas, etc. on an 8 1/2" x 11" sheet of white paper.

NOTE: DO NOT SUBMIT BLUEPRINTS. Simple line drawings should be submitted and need not be drawn to scale.

Response: Please see *Attachment B.IV* for a footprint of the existing 4,041 GSF facility.

V. For a Home Health Agency or Hospice, identify:

1. Existing service area by County;
2. Proposed service area by County;
3. A parent or primary service provider;
4. Existing branches; and
5. Proposed branches.

Response: N/A.

SECTION C: GENERAL CRITERIA FOR CERTIFICATE OF NEED

In accordance with Tennessee Code Annotated § 68-11-1609(b), “no Certificate of Need shall be granted unless the action proposed in the application for such Certificate is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, and will contribute to the orderly development of health care.” The three (3) criteria are further defined in Agency Rule 0720-4-.01. Further standards for guidance are provided in the state health plan (Guidelines for Growth), developed pursuant to Tennessee Code Annotated §68-11-1625.

The following questions are listed according to the three (3) criteria: (I) Need, (II) Economic Feasibility, and (III) Contribution to the Orderly Development of Health Care. Please respond to each question and provide underlying assumptions, data sources, and methodologies when appropriate. Please type each question and its response on an 8 1/2” x 11” white paper. All exhibits and tables must be attached to the end of the application in correct sequence identifying the question(s) to which they refer. If a question does not apply to your project, indicate “Not Applicable (NA).”

QUESTIONS

NEED

1. Describe the relationship of this proposal toward the implementation of the State Health Plan and Tennessee’s Health: Guidelines for Growth.
 - a. Please provide a response to each criterion and standard in Certificate of Need Categories that are applicable to the proposed project. Do not provide responses to General Criteria and Standards (pages 6-9) here.

Response: Please see *Attachment Specific Criteria*.

The State Health Plan lists the following Five Principles for Achieving Better Health, and are based on the Division's enacting legislation:

1. The purpose of the State Health Plan is to improve the health of Tennesseans;

The Applicant has been providing patients with outpatient surgical services for many years in an office based surgical suite, and continues to this day. The operational success of the practice is testament to the fact that the facility is needed for the health of patients in the service area who need outpatient surgery. The Applicant's goals are consistent with the State Health Plan, and this ASTC will continue to improve the health of Tennesseans by providing plastic surgery services in a controlled, licensed environment. Further, the provision of more services to these patients will increase continuity of care by utilizing the ASTCs trained staff for more procedures, and decrease multiple scheduling problems for patients.

2. Every citizen should have reasonable access to health care;

Plastic surgery is mostly an elective, private pay procedure. This is exemplified by the fact that the only other ASTC in Nashville that is limited to plastic surgery has had no Medicare and no Medicaid patients in the last 3 years (Source: Joint Annual Reports). Even so, Dr. Maxwell accepts TennCare patients out of network, and Dr. Kristina O'Shaughnessy, an associate of Dr. Maxwell, has TennCare contracts with AmeriGroup, AmeriChoice (UHC), and BCBS of Tennessee. Additionally, Dr. O'Shaughnessy has contracts with Aetna, Bluegrass Family Health, Center Care, Choice Care (Humana), Cigna Healthcare of TN, Corvel Corporation, Coventry/First Health, Great West Life, and Healthpayor's Organization/IHG.

3. The state's health care resources should be developed to address the needs of Tennesseans while encouraging competitive markets, economic efficiencies, and the continued development of the state's health care system;

In today's competitive market, patients are drawn to the best quality at the most affordable cost. The Applicant maintains its competitiveness by providing quality health care at an affordable cost, and did not oppose the implementation of other ASTCs in Davidson and Williamson Counties. This project will result in continued development of the state's health care system by improving access of outpatient surgical services to patients of the Applicant.

4. Every citizen should have confidence that the quality of health care is continually monitored and standards are adhered to by health care providers; and

Tennessee is fortunate to have an excellent licensing division of the Department of Health. The Board of Licensing Health Care Facilities provides standards for and monitoring of licensed health care providers. This Applicant will be licensed by the Department of Health, and plans to apply for certification by Medicare, TennCare, and AAAHC.

5. The state should support the development, recruitment, and retention of a sufficient and quality health care workforce.

The Applicant is committed to providing safe working conditions and continuing education for its staff.

- 41
- b. Applications that include a Change of Site for a health care institution, provide a response to General Criterion and Standards (4)(a-c).

Response: Not Applicable.

2. Describe the relationship of this project to the applicant facility's long-range development plans, if any.

Response: The Applicant has no long range development plans, other than to provide affordable and quality health care to service area residents. This will be accomplished by the implementation of this project.

3. Identify the proposed service area and ⁴²justify the reasonableness of that proposed area. Submit a county level map including the State of Tennessee clearly marked to reflect the service area. Please submit the map on 8 1/2" x 11" sheet of white paper marked only with ink detectable by a standard photocopier (i.e., no highlighters, pencils, etc.).

Response: Our primary service area in Tennessee consists of Davidson and Williamson Counties. However, the large majority of our patients come to us from out of state. While not all of our patients have surgery, most do. During the last three years, the more significant areas of patient origin for the Owner's practice is as follows:

Applicant's Patient Origin – 2010 - 2012

Patient Origin	# of Pts	(Cum)
Davidson Co, TN	417	417
Kentucky	321	738
Williamson Co, TN	243	981
Florida	132	1113
Alabama	115	1228

The above service area represents those areas from which over 90% of our patients originate. In addition to the above, the Applicant saw patients during the same time period from 17 other states, and several foreign countries.

Please see *Attachment C.Need.3* for a map of the primary service area located in Tennessee.

4. A. Describe the demographics of the ⁴³population to be served by this proposal.

Response: Please see *Attachment C.Need.4.A*, which contains a chart of various demographic statistics for Davidson and Williamson Counties, and the State of Tennessee, along with QuickFacts printouts from the U.S. Bureau of the Census regarding the service area listed in the preceding chart.

B. Describe the special needs of the service area population, including health disparities, the accessibility to consumers, particularly the elderly, women, racial and ethnic minorities, and low-income groups. Document how the business plans of the facility will take into consideration the special needs of the service area population.

Response: The types of procedures that are allowable under office based surgery certifications are limited in scope. As such, a patient may have some procedures performed at the Applicant's office, and other procedures have to be scheduled at either an existing ASTC or hospital. Sometimes, this is confusing to the patients, or, at the very least, inconvenient for both patients and physicians. Other times, several procedures are required of patients, perhaps with one procedure at the office based surgical suite, and the next procedure in an ASTC setting. Again, this is confusing to the patient, and it would be better for both patients and physicians to simplify the scheduling of such procedures to one ASTC, if possible. Upon approval of this application, more procedures can be scheduled at one place, thereby streamlining the scheduling of such procedures for both patients and physicians alike. Additionally, in order to enhance each patient's emotional well being, the Applicant will provide a greater degree of patient confidentiality by offering total patient privacy, including a private entrance. Further, by performing more procedures at one location, patients will receive better one-on-one patient care due to the continuity of specialized trained staff.

Please note the top ten procedures anticipated to be performed, along with their respective gross charges, included as *Attachment B.I.A.2*.

5. Describe the existing or certified services, including approved but unimplemented CONs, of similar institutions in the service area. Include utilization and/or occupancy trends for each of the most recent three years of data available for this type of project. Be certain to list each institution and its utilization and/or occupancy individually. Inpatient bed projects must include the following data: admissions or discharges, patient days, and occupancy. Other projects should use the most appropriate measures, e.g., cases, procedures, visits, admissions, etc.

Response: There is only one ASTC in our Tennessee service area that is limited to plastic surgery, only: Delozier Surgery Center in Nashville (please see *Attachment B.I.A.3*). That facility performed 992 procedures on 486 patients in 2011, and performed 992 procedures per operating room, above the current Guidelines level. This equates to 2.04 procedures per patient, at that facility. There are nine existing ASTCs in Davidson and Williamson County (7 and 2, respectively) that reported performing some plastic surgical procedures in 2011. These ASTCs provided 5,538 plastic surgery procedures for 2,324 patients in 2011. It is impossible to account for plastic surgery procedure utilization per operating room. However, the total operating room utilization for these nine ASTCs totaled 2,105 procedures per room, and about 889 patients per operating room, both figures above the current Guidelines level (please see *Attachment B.I.A.4* – a 3 page attachment). This equates to an average of about 2.6 procedures per patient session.

Finally, there are several general med/surg hospitals in Davidson and Williamson Counties where plastic surgery can be performed. Unfortunately, Joint Annual Reports for Hospitals do not list whether or not plastic surgery is performed, but the Applicant makes the assumption that such surgery can be performed at such hospitals. We do know that our inpatient plastic surgery is performed at Baptist Hospital in Nashville. Please see the chart below for a list of these hospitals:

**General Med/Surg. Hospitals
In Tennessee Service Area**

Davidson Co.
Baptist
Metropolitan Nashville General
Centennial Medical Ctr.
Saint Thomas
Skyline Medical Ctr.
Skyline Madison Campus
Southern Hills Medical Ctr.
Summit Medical Ctr.
Vanderbilt University
Williamson Co.
Williamson Medical Ctr.

6. Provide applicable utilization and/or occupancy statistics for your institution for each of the past three (3) years and the projected annual utilization for each of the two (2) years following completion of the project. Additionally, provide the details regarding the methodology used to project utilization. The methodology must include detailed calculations or documentation from referral sources, and identification of all assumptions.

Response: The Owner of the Applicant performs plastic surgery in a Certified Medical Office Based Surgery Suite (see *Attachment B.I.A.1*) at 2020 21st Avenue, South, Nashville (Davidson County), Tennessee 37212. Existing space, already under lease by the Applicant, will be renovated and updated to accommodate a one OR ASTC with pre-op and recovery space, and other anticipated administrative and support space (See *Attachment B.IV*). Dr. Maxwell and Dr. O'Shaughnessy performed 538 in-office procedures in 2010 - 2012. During the same period of time, 465 procedures were performed in other licensed facilities in Nashville. See the chart below:

**Surgery Cases Performed by Applicant Surgeons
2010 - 2012**

Surgery Site	Cases
In Office	538
Centennial Surgery Center	138
Baptist Plaza Surgicare	161
Baptist Ambulatory Surgery Center	72
Baptist Hospital	94
Total	1003

Note: One Case = One Patient

The above chart indicates that the vast majority of these procedures (all but 94) were performed either in-office or at existing ASTCs. The annual average of outpatient cases is approximately 303. The Applicant anticipates having 379 and 427 cases in Years 1 and 2, respectively. This estimate is conservative, since Dr. O'Shaughnessy did not perform surgery for approximately 10 months of the 36 month period during 2010 – 2012. Inpatient procedures will continue to be scheduled at Baptist Hospital or Centennial Medical Center, based on patient preference.

It is also important to note that the average time for the procedures we provide is about three hours. This means that, at best, only two procedures per day can be provided. Even if our ASTC operates all day long, five days per week, the highest number of procedures we could expect is about 500 per year (2 per day x 5 days per week x 50 weeks per year = 500). Therefore, due to the highly specialized type of procedures we provide and plan to provide, our ASTC will probably never achieve the number of cases per year as outlined in the Guidelines for Growth.

That said, the Applicant will have the ability to perform 800 operations and/or procedures per year. During Year 2, we anticipate performing services to 427 patients. On average, each patient has a little over 2 procedures each. This results in our ability to perform in excess of 854 procedures per year.

ECONOMIC FEASIBILITY

1. Provide the cost of the project by completing the Project Costs Chart on the following page. Justify the cost of the project.
- All projects should have a project cost of at least \$3,000 on Line F. (Minimum CON Filing Fee). CON filing fee should be calculated from Line D. (See Application Instructions for Filing Fee)
- The cost of any lease should be based on fair market value or the total amount of the lease payments over the initial term of the lease, whichever is greater.
- The cost for fixed and moveable equipment includes, but is not necessarily limited to, maintenance agreements covering the expected useful life of the equipment; federal, state, and local taxes and other government assessments; and installation charges, excluding capital expenditures for physical plant renovation or in-wall shielding, which should be included under construction costs or incorporated in a facility lease.
- For projects that include new construction, modification, and/or renovation; documentation must be provided from a contractor and/or architect that support the estimated construction costs.

Response: The Project Costs Chart is completed. Renovation cost is estimated to be \$238,242, and \$75,500 is included as a contingency fund, if needed. Anticipated cost for new equipment is shown a \$100,000. Renovation cost per GSF averages \$119.23.

The amount shown at Line B.1 reflects the FMV of the leased space (actual lease costs approximate \$670,000, a lower amount). In addition, Line B.4 shows the Applicant will donate existing equipment which totals \$20,353 in value according to the Applicant's asset depreciation schedule. Existing improvements to the space that will be donated to the ASTC by the Applicant have a value of \$83,969.

Line F includes a \$3,000 filing fee.

The chart below, prepared by the HSDA, indicates construction costs for recent nursing home applications. A review of these average costs indicate this particular project is financially feasible.

Ambulatory Surgical Treatment Center Construction Cost Per Square Foot

Years: 2009 – 2011

	Renovated Construction	New Construction	Total Construction
1 st Quartile	\$40.09/sq ft	\$200.00/sq ft	\$54.06/sq ft
Median	\$100.47/sq ft	\$252.74/sq ft	\$134.57/sq ft
3 rd Quartile	\$195.00/sq ft	\$371.75/sq ft	\$252.74/sq ft

Source: CON approved applications for years 2009 through 2011

PROJECT COSTS CHART

2013 MAR 15 PM 1:19

A. Construction and equipment acquired by purchase.

1. Architectural and Engineering Fees	\$ 29,750
2. Legal, Administrative (Excluding CON Filing Fee), Consultant	71,750
3. Acquisition of Site	
4. Preparation of Site	
5. Construction Costs	238,242
6. Contingency Fund	75,500
7. Fixed Equipment (Not included in Construction Contract)	
8. Moveable Equipment (List all equipment over \$50,000)*	100,000
9. Other (Specify)	
<hr/>	
Subsection A Total	515,242

B. Acquisition by gift, donation, or lease.

1. Facility (Inclusive of Building and Land) (FMV)	700,000
2. Building Only	
3. Land Only	
4. Equipment (Specify)	
<u>Asset Depreciation Schedule (donated equipment)</u>	20,353
5. Other (Specify)	
<u>Leasehold Improvements</u>	83,969
Subsection B Total	804,322

C. Financing costs and fees

1. Interim Financing	
2. Underwriting Costs	
3. Reserve for One Year's Debt Service	
4. Other (Specify)	
Subsection C Total	0

D. Estimated Project Cost (A + B + C)	\$ 1,319,564.00
E. CON Filing Fee	\$ 3,000.00
F. Total Estimated Project Cost (D + E)	TOTAL \$ 1,322,564.00

2. Identify the funding sources for this project.

- a. Please check the applicable item(s) below and briefly summarize how the project will be financed. (*Documentation for the type of funding MUST be inserted at the end of the application, in the correct alpha/numeric order and identified as Attachment C, Economic Feasibility-2.*)

- ☐ A. Commercial loan--Letter from lending institution or guarantor stating favorable initial contact, proposed loan amount, expected interest rates, anticipated term of the loan, and any restrictions or conditions;
- ☐ B. Tax-exempt bonds--Copy of preliminary resolution or a letter from the issuing authority stating favorable initial contact and a conditional agreement from an underwriter or investment banker to proceed with the issuance;
- ☐ C. General obligation bonds—Copy of resolution from issuing authority or minutes from the appropriate meeting.
- ☐ D. Grants--Notification of intent form for grant application or notice of grant award; or
- ☒ E. Cash Reserves--Appropriate documentation from Chief Financial Officer.
- ☐ F. Other—Identify and document funding from all other sources.

Response: This project will be financed with cash reserves, and sufficient funds have been deposited and are dedicated to this project. Please see *Attachment C.EF.2*.

3. Discuss and document the reasonableness of the proposed project costs. If applicable, compare the cost per square foot of construction to similar projects recently approved by the Health Services and Development Agency.

Response: Renovation cost is estimated to be \$238,242, and \$75,500 is included as a contingency fund, if needed. Anticipated cost for new equipment is shown a \$100,000. Renovation cost per GSF averages \$119.23.

The amount shown at Line B.1 reflects the FMV of the leased space (actual lease costs approximate \$670,000, a lower amount). In addition, Line B.4 shows the Applicant will donate existing equipment which totals \$20,353 in value according to the Applicant's asset depreciation schedule. Existing improvements to the space that will be donated to the ASTC by the Applicant have a value of \$83,969.

Line F includes a \$3,000 filing fee.

The chart below, prepared by the HSDA, indicates construction costs for recent nursing home applications. A review of these average costs indicate this particular project is financially feasible.

Ambulatory Surgical Treatment Center Construction Cost Per Square Foot

Years: 2009 – 2011

	Renovated Construction	New Construction	Total Construction
1st Quartile	\$40.09/sq ft	\$200.00/sq ft	\$54.06/sq ft
Median	\$100.47/sq ft	\$252.74/sq ft	\$134.57/sq ft
3rd Quartile	\$195.00/sq ft	\$371.75/sq ft	\$252.74/sq ft

Source: CON approved applications for years 2009 through 2011

4. Complete Historical and Projected Data Charts on the following two pages--Do not modify the Charts provided or submit Chart substitutions! Historical Data Chart represents revenue and expense information for the last three (3) years for which complete data is available for the institution. Projected Data Chart requests information for the two (2) years following the completion of this proposal. Projected Data Chart should reflect revenue and expense projections for the Proposal Only (i.e., if the application is for additional beds, include anticipated revenue from the proposed beds only, not from all beds in the facility).

Response:

Historical Data Chart: Not Applicable.

Projected Data Chart: Completed.

51 HISTORICAL DATA CHART

Give information for the last *three (3)* years for which complete data are available for the facility or agency.
The fiscal year begins in January (month).

2013 MAR 15 PM 1:19

Response: Not Applicable

A.	Utilization/Occupancy Rate (Patients)			
B.	Revenue from Services to Patients			
	1. Inpatient Services			
	2. Outpatient Services			
	3. Emergency Services			
	4. Other Operating Revenue (Specify) _____			
	Gross Operating Revenue			
C.	Deductions from Operating Revenue			
	1. Contractual Adjustments			
	2. Provision for Charity Care			
	3. Provision for Bad Debt			
	Total Deductions			
	NET OPERATING REVENUE			
D.	Operating Expenses			
	1. Salaries and Wages			
	2. Physician's Salaries and Wages			
	3. Supplies			
	4. Taxes			
	5. Depreciation			
	6. Rent			
	7. Interest, other than Capital			
	8. Management Fees:			
	a. Fees to Affiliates			
	b. Fees to Non-Affiliates			
	9. Other Expenses (Specify) _____			
	Total Operating Expenses			
E.	Other Revenue (Expenses)-Net (Specify) _____			
	NET OPERATING INCOME (LOSS)			
F.	Capital Expenditures			
	1. Retirement of Principal			
	2. Interest			
	Total Capital Expenditure			
	NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES			

52
PROJECTED DATA CHART

SUPPLEMENTAL- # 2

March 28, 2013

Give information for the two (2) years following the completion of this project. The fiscal year begins January (month). 10:01 am

2013 MAR 28 AM 10 01

	Year 1	Year 2
A. Utilization/Occupancy Rate (Patients)	<u>379</u>	<u>427</u>
B. Revenue from Services to Patients		
1. Inpatient Services		
2. Outpatient Services	<u>1,791,480</u>	<u>2,021,040</u>
3. Emergency Services		
4. Other Operating Revenue (Specify) <u>Implants & Alloderm</u>	<u>562,872</u>	<u>634,100</u>
Gross Operating Revenue	<u>2,354,352</u>	<u>2,655,140</u>
C. Deductions from Operating Revenue		
1. Contractual Adjustments	<u>837,000</u>	<u>945,000</u>
2. Provision for Charity Care	<u>35,830</u>	<u>40,421</u>
3. Provision for Bad Debt	<u>8,957</u>	<u>10,105</u>
Total Deductions	<u>881,787</u>	<u>995,526</u>
NET OPERATING REVENUE	<u>1,472,565</u>	<u>1,659,614</u>
D. Operating Expenses		
1. Salaries and Wages	<u>340,635</u>	<u>412,946</u>
2. Physician's Salaries and Wages		
3. Supplies	<u>682,667</u>	<u>763,700</u>
4. Taxes	<u>5,844</u>	<u>6,136</u>
5. Depreciation	<u>62,201</u>	<u>62,201</u>
6. Rent	<u>82,037</u>	<u>86,208</u>
7. Interest, other than Capital		
8. Management Fees:		
a. Fees to Affiliates		
b. Fees to Non-Affiliates		
9. Other Expenses (Specify) <u>see attached chart</u>	<u>152,788</u>	<u>163,609</u>
Total Operating Expenses	<u>1,326,172</u>	<u>1,494,800</u>
E. Other Revenue (Expenses)-Net (Specify)	<u>0</u>	<u>0</u>
NET OPERATING INCOME (LOSS)	<u>146,393</u>	<u>164,814</u>
F. Capital Expenditures		
1. Retirement of Principal		
2. Interest (on Letter of Credit)		
Total Capital Expenditure		
NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES	<u>146,393</u>	<u>164,814</u>

OTHER EXPENSES

2013 MAR 28 AM 10 01

Other Expenses	Yr-1	Yr-2
Postage & Freight	300	306
Dues and Subscriptions	2,100	2,103
Equipment Rental	1,716	1,719
Equipment R&M	7,200	7,344
Building R&M	6,000	6,120
Computer Services	9,000	9,180
Laundry Services/Linen	2,653	2,989
Housekeeping	9,000	9,180
Utilities	2,604	2,656
Phone Services – Local/LD	6,960	7,099
Legal Fees	5,000	5,100
Professional Insurance	26,496	27,825
Other Professional Fees	3,996	4,500
Misc Expenses	6,000	6,000
Property/Liability Ins.	4,860	5,103
Billing Services	58,903	66,385
TOTAL (line D.9)	152,788	163,609

5. Please identify the project's average gross charge, average deduction from operating revenue, and average net charge.

Response: Please see following chart for a comparison of Year 1 and Year 2 patient charges:

**Maxwell Aesthetics, PLLC
Utilization/Charges per Patient**

	Year 1	Year 2
Number of Patients	379	427
Total Gross Charge	\$2,354,352	\$2,655,140
Total Deductions	\$881,787	\$995,526
Total Net Charge	\$1,472,565	\$1,659,614
Average Gross/Patient	\$6,212	\$6,218
Average Deduction	\$2,327	\$2,331
Average Net/Patient	\$3,885	\$3,887

Note: numbers rounded

6. A. Please provide the current and proposed charge schedules for the proposal. Discuss any adjustment to current charges that will result from the implementation of the proposal. Additionally, describe the anticipated revenue from the proposed project and the impact on existing patient charges.

Response: There are no current charges, as the facility is not licensed. Please see following chart for a comparison of Year 1 and Year 2 patient charges:

**Maxwell Aesthetics, PLLC
Utilization/Charges per Patient**

	Year 1	Year 2
Number of Patients	379	427
Total Gross Charge	\$2,354,352	\$2,655,140
Total Deductions	\$881,787	\$995,526
Total Net Charge	\$1,472,565	\$1,659,614
Average Gross/Patient	\$6,212	\$6,218
Average Deduction	\$2,327	\$2,331
Average Net/Patient	\$3,885	\$3,887

Note: numbers rounded

56

B. Compare the proposed charges to those of similar facilities in the service area/adjoining service areas, or to proposed charges of projects recently approved by the Health Services and Development Agency. If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).

Response: Please see following chart for a comparison of Applicant's Year 1 and Year 2 patient charges:

**Maxwell Aesthetics, PLLC
Utilization/Charges per Patient**

	Year 1	Year 2
Number of Patients	379	427
Total Gross Charge	\$2,354,352	\$2,655,140
Total Deductions	\$881,787	\$995,526
Total Net Charge	\$1,472,565	\$1,659,614
Average Gross/Patient	\$6,212	\$6,218
Average Deduction	\$2,327	\$2,331
Average Net/Patient	\$3,885	\$3,887

Note: numbers rounded

The above estimates of the Applicant can be compared to charges of existing ASTCs contained on Attachments 6.Need.6.B.1 and 6.Need.6.B.2.

7. **Discuss how projected utilization rates will be sufficient to maintain cost-effectiveness.**

Response: The Projected Data Chart indicates sufficient income to maintain cost-effectiveness, with a positive cash flow in both Years 1 and 2. Obviously, income is dependent upon rendering services to a sufficient number of patients. As the Applicant has provided acclaimed plastic surgery for many years at both the office based surgery suite and at local ASTCs and hospitals, the Applicant feels comfortable with the projections.

The estimates of 379 and 427 procedures are well-reasoned. Drs. Maxwell and O'Shaughnessy performed an average of 303 outpatient procedures per year the last three years, and Dr. O'Shaughnessy did not work 10 months of the 36 month period.

8. **Discuss how financial viability will be ensured within two years; and demonstrate the availability of sufficient cash flow until financial viability is achieved.**

Response: The Projected Data Chart indicates sufficient income to maintain cost-effectiveness, with a positive cash flow in both Years 1 and 2. Obviously, income is dependent upon rendering services to a sufficient number of patients. As the Applicant has provided acclaimed plastic surgery for many years at both the office based surgery suite and at local ASTCs and hospitals, the Applicant feels comfortable with the projections.

The estimates of 379 and 427 procedures are well-reasoned. Drs. Maxwell and O'Shaughnessy performed an average of 303 outpatient procedures per year the last three years, and Dr. O'Shaughnessy did not work 10 months of the 36 month period.

9. Discuss the project's participation in state and federal revenue programs including a description of the extent to which Medicare, TennCare/Medicaid, and medically indigent patients will be served by the project. In addition, report the estimated dollar amount of revenue and percentage of total project revenue anticipated from each of TennCare, Medicare, or other state and federal sources for the proposal's first year of operation.

Response: This will be a new facility, and both Medicare and Medicaid certification will be sought. Contracts will be requested of AmeriGroup, AmeriChoice (UHC), and BCBS of Tennessee. According to the State map on the TennCare website, all three of these MCOs provide services to Davidson and Williamson Counties, which are the only Tennessee Counties in our service area. AmeriChoice is now called Community Plan, and is administered by UHC. Please see *Attachment A.12*.

Dr. Kristina O'Shaughnessy, an associate of the Owner, has TennCare contracts with AmeriGroup, AmeriChoice (UHC), and BCBS of Tennessee. Additionally, Dr. O'Shaughnessy has contracts with Aetna, Bluegrass Family Health, Center Care, Choice Care (Humana), Cigna Healthcare of TN, Corvel Corporation, Coventry/First Health, Great West Life, and Healthpayor's Organization/IHG.

Further, Dr. Maxwell takes TennCare patients out of network.

Plastic surgery is usually reimbursed by individuals and/or insurance policies. For that reason, the ASTC's proposed payor mix is as follows: TennCare 01%; Medicare 08%; Commercial Insurance, 49%; and private pay 40%. It is noteworthy that the only ASTC in Nashville that is limited to plastic surgery, only, had no Medicare patients and no TennCare patients in 2009, 2010, or 2011.

Using the Year 1 anticipated percentages, the following assumptions are made:

Assuming net revenue of \$1,472,565 the first year, approximately \$117,805 will be reimbursed by Medicare (Net Revenue of \$1,472,565 x 8% Medicare), and approximately \$4,418 will be reimbursed by the State for Medicaid patients (Net Revenue of \$1,472,565 x 1% Medicaid x 30% State Share).

10. Provide copies of the balance sheet and income statement from the most recent reporting period of the institution and the most recent audited financial statements with accompanying notes, if applicable. For new projects, provide financial information for the corporation, partnership, or principal parties involved with the project. Copies must be inserted at the end of the application, in the correct alpha-numeric order and labeled as Attachment C, Economic Feasibility-10.

Response: Please see *Attachment C.EF.10*, which shows sufficient funds are available for this project. These financial statements are not audited, and the Applicant does not have audited financials.

11. Describe all alternatives to this project which were considered and discuss the advantages and disadvantages of each alternative including but not limited to:
- A discussion regarding the availability of less costly, more effective, and/or more efficient alternative methods of providing the benefits intended by the proposal. If development of such alternatives is not practicable, the applicant should justify why not; including reasons as to why they were rejected.

Response: The Applicant has been in business for several years, providing outpatient plastic surgery in both an office based surgery suite and at existing licensed facilities (local ASTCs and hospitals). A very large percentage of the Applicant's patients originate from other states and countries.

The types of procedures that are allowable under office based surgery certifications are limited in scope. As such, a patient may have some procedures performed at the Applicant's office, and other procedures have to be scheduled at either an existing ASTC or hospital. Sometimes, this is confusing to the patients, or, at the very least, inconvenient for both patients and physicians. Other times, several procedures are required of patients, perhaps with one procedure at the office based surgical suite, and the next procedure in an ASTC setting. Again, this is confusing to the patient, and it would be better for both patients and physicians to simplify the scheduling of such procedures to one ASTC, if possible. Upon approval of this application, more procedures can be scheduled at one place, thereby streamlining the scheduling of such procedures for both patients and physicians alike. Additionally, in order to enhance each patient's emotional well being, the Applicant will provide a greater degree of patient confidentiality by offering total patient privacy, including a private entrance. Further, by performing more procedures at one location, patients will receive better one-on-one patient care due to the continuity of specialized trained staff. The top ten procedures anticipated to be performed, along with their respective gross charges, are included as *Attachment B.I.A.2*.

Obviously, one alternative is to continue providing services in the same manner as in the past. This alternative was rejected because it does nothing to solve the problem of a patient having multiple procedures at different locations – perhaps a procedure at the Applicant's office, followed by another later procedure at a licensed facility, or vice-versa. This application, if approved, will alleviate that problem to a great extent.

Another alternative was to look at the possibility of building or leasing another site. This alternative was rejected as being too expensive, and also too disruptive. The Applicant's surgeons can continue to see patients at their existing private practice which is across the hall from the existing office based surgery suite, and merely schedule more procedures at local facilities while the renovation to the new ASTC is completed. Following that, patients will continue to come to one location for office visits and those procedures that can be provided in an outpatient setting. Inpatient procedures will continue to be scheduled at Baptist Hospital.

- b. The applicant should document that consideration has been given to alternatives to new construction, e.g., modernization or sharing arrangements. It should be documented that superior alternatives have been implemented to the maximum extent practicable.

Response: The Applicant has been in business for several years, providing outpatient plastic surgery in both an office based surgery suite and at existing licensed facilities (local ASTCs and hospitals). A very large percentage of the Applicant's patients originate from other states and countries.

The types of procedures that are allowable under office based surgery certifications are limited in scope. As such, a patient may have some procedures performed at the Applicant's office, and other procedures have to be scheduled at either an existing ASTC or hospital. Sometimes, this is confusing to the patients, or, at the very least, inconvenient for both patients and physicians. Other times, several procedures are required of patients, perhaps with one procedure at the office based surgical suite, and the next procedure in an ASTC setting. Again, this is confusing to the patient, and it would be better for both patients and physicians to simplify the scheduling of such procedures to one ASTC, if possible. Upon approval of this application, more procedures can be scheduled at one place, thereby streamlining the scheduling of such procedures for both patients and physicians alike. Additionally, in order to enhance each patient's emotional well being, the Applicant will provide a greater degree of patient confidentiality by offering total patient privacy, including a private entrance. Further, by performing more procedures at one location, patients will receive better one-on-one patient care due to the continuity of specialized trained staff. The top ten procedures anticipated to be performed, along with their respective gross charges, are included as *Attachment B.I.A.2*.

Obviously, one alternative is to continue providing services in the same manner as in the past. This alternative was rejected because it does nothing to solve the problem of a patient having multiple procedures at different locations – perhaps a procedure at the Applicant's office, followed by another later procedure at a licensed facility, or vice-versa. This application, if approved, will alleviate that problem to a great extent.

Another alternative was to look at the possibility of building or leasing another site. This alternative was rejected as being too expensive, and also too disruptive. The Applicant's surgeons can continue to see patients at their existing private practice which is across the hall from the existing office based surgery suite, and merely schedule more procedures at local facilities while the renovation to the new ASTC is completed. Following that, patients will continue to come to one location for office visits and those procedures that can be provided in an outpatient setting. Inpatient procedures will continue to be scheduled at Baptist Hospital.

CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE

1. List all existing health care providers (e.g., hospitals, nursing homes, home care organizations, etc.), managed care organizations, alliances, and/or networks with which the applicant currently has or plans to have contractual and/or working relationships, e.g., transfer agreements, contractual agreements for health services.

Response: The Applicant has transfer agreements with Baptist Hospital, and Baptist Lab Plus provides lab services for the Applicant. In addition, Dr. Maxwell and Dr. O'Shaughnessy have admitting privileges at Baptist Hospital, Baptist Plaza Surgicare, and Centennial Medical Center.

These agreements will continue.

2. Describe the positive and/or negative effects of the proposal on the health care system. Please be sure to discuss any instances of duplication or competition arising from your proposal including a description of the effect the proposal will have on the utilization rates of existing providers in the service area of the project.

Response: The Applicant has been in business for several years, providing outpatient plastic surgery in both an office based surgery suite and at existing licensed facilities (local ASTCs and hospitals). A very large percentage of the Applicant's patients originate from other states and countries.

The Applicant has discussed the confusion that occurs when many of our patients, most of whom are from out of state and are not familiar with Nashville streets, traffic, rush hour bottlenecks, etc., have to cope with having a procedure at the Applicant's office based surgery suite, only to return later and perhaps have a procedure at a local ASTC, or vice-versa. By establishing a licensed ASTC at the same physical location as the Applicant's surgeon's existing office practice and office based surgery suite, this problem will be solved. Obviously, this will have a positive impact on the health care system.

As stated earlier, historic utilization figures show that the Applicant already performs more procedures in an office based surgery suite (538 in last three years) than in local ASTCs (371 in last three years). Inpatient procedures will not be affected. Therefore, the large percentage of procedures that will be provided in the Applicant's ASTC would not be going to other existing ASTCs even if this project were not to be approved. Therefore, any competitive impact on existing facilities is minimal.

Further, the Applicant's surgeons have traditionally utilized three different ASTCs in Nashville in the past, so the impact on any one ASTC will be minimal. For example, the Applicant's surgeons performed: 161 outpatient cases at Baptist Plaza Surgicare during the last 3 years; 72 outpatient cases at Baptist Ambulatory Surgery Center during the same time period; and 138 outpatient cases at Centennial Surgery Center over the past three years. These three ASTCs averaged 7,576¹, 9,171, and 7,405 cases, respectively over the same time period. Resultantly, moving all of the Applicant's cases from these three ASTCs to its own facility would negatively impact these three existing providers by only 0.9%, 1.7%, and 2.3%, respectively. Obviously, existing providers will not be impacted negatively by the approval of this project.

Finally, there is only one licensed ASTC in Nashville that is limited to plastic surgery. That facility does not accept Medicare or Medicaid. The Applicant will accept both. Therefore, the approval of this application will positively impact the health care system, and will accept patients that this existing plastics ASTC would not accept anyway.

¹ Baptist Ambulatory Surgery Center did not file a Joint Annual Report for 2011. Therefore, the stated average for this facility is for a two year period (2009 and 2010).

3. Provide the current and/or anticipated staffing pattern for all employees providing patient care for the project. This can be reported using FTEs for these positions. Additionally, please compare the clinical staff salaries in the proposal to prevailing wage patterns in the service area as published by the Tennessee Department of Labor & Workforce Development and/or other documented sources.

Response: The implementation of this ASTC can be accomplished without having to hire additional staff. The employees at our office based surgery suite all work part time, and their hours will be increased when our ASTC is approved and implemented. These part time personnel will work more hours with the addition of these services, but no new personnel will be required.

ASTC personnel required for surgical cases and salary ranges are given below:

**Maxwell Aesthetics, PLLC
Staffing/Salary Ranges**

Position	Year 1 FTE	Salary Range
RN	1.0	\$32/hr
Tech	1.0	\$17.00 - \$19.75/hr
1 st Assistant	1.0	\$50/hr

4. Discuss the availability of and accessibility to human resources required by the proposal, including adequate professional staff, as per the Department of Health, the Department of Mental Health and Developmental Disabilities, and/or the Division of Mental Retardation Services licensing requirements.

Response: The implementation of this ASTC can be accomplished without having to hire additional staff. The employees at our office based surgery suite all work part time, and their hours will be increased when our ASTC is approved and implemented. These part time personnel will work more hours with the addition of these services, but no new personnel will be required.

ASTC personnel required for surgical cases and salary ranges are given below:

**Maxwell Aesthetics, PLLC
Staffing/Salary Ranges**

Position	Year 1 FTE	Salary Range
RN	1.0	\$32/hr
Tech	1.0	\$17.00 - \$19.75/hr
1 st Assistant	1.0	\$50/hr

In addition, please see *Attachment C.OD.3* for prevailing wage patterns in the area.

5. Verify that the applicant has reviewed and understands all licensing certification as required by the State of Tennessee for medical/clinical staff. These include, without limitation, regulations concerning physician supervision, credentialing, admission privileges, quality assurance policies and programs, utilization review *policies and programs, record keeping, and staff education.*

Response: The Applicant is familiar with all licensing certification requirements for medical/clinical staff.

6. Discuss your health care institution's participation in the training of students in the areas of medicine, nursing, social work, etc. (*e.g., internships, residencies, etc.*).

Response: The Applicant provides training for Vanderbilt residents as well as preceptorships. Further, the Applicant participates in a Fellowship program each year. These relationships will continue following approval of our ASTC.

7. (a) Please verify, as applicable, that the applicant has reviewed and understands the licensure requirements of the Department of Health, the Department of Mental Health and Developmental Disabilities, the Division of Mental Retardation Services, and/or any applicable Medicare requirements.

Response: The Applicant is familiar with all licensure requirements of the regulatory agencies of the State.

(b) Provide the name of the entity from which the applicant has received or will receive licensure, certification, and/or accreditation.

Response:

Licensure: Tennessee Department of Health

Accreditation: Medicare, Medicaid, Accreditation Association for Ambulatory Health Care, Inc.

(c) If an existing institution, please describe the current standing with any licensing, certifying, or accrediting agency. Provide a copy of the current license of the facility.

Response: Not Applicable.

(d) For existing licensed providers, document that all deficiencies (if any) cited in the last licensure certification and inspection have been addressed through an approved plan of correction. Please include a copy of the most recent licensure/certification inspection with an approved plan of correction.

Response: Not Applicable.

8. Document and explain any final orders or judgments entered in any state or country by a licensing agency or court against professional licenses held by the applicant or any entities or persons with more than a 5% ownership interest in the applicant. Such information is to be provided for licenses regardless of whether such license is currently held.

Response: There have been no final orders or judgments as are contemplated by this question.

9. Identify and explain any final civil or criminal judgments for fraud or theft against any person or entity with more than a 5% ownership interest in the project

Response: There have been no final orders or judgments as are contemplated by this question.

10. If the proposal is approved, please discuss whether the applicant will provide the Tennessee Health Services and Development Agency and/or the reviewing agency information concerning the number of patients treated, the number and type of procedures performed, and other data as required.

Response: The Applicant will provide all data contemplated by this question.

PROOF OF PUBLICATION

Attach the full page of the newspaper in which the notice of intent appeared with the mast and dateline intact or submit a publication affidavit from the newspaper as proof of the publication of the letter of intent. ^{2013 MAR 15 PM 1:19}

Response: If the requested documentation is not attached, it will be submitted once received.

DEVELOPMENT SCHEDULE

Tennessee Code Annotated § 68-11-1609(c) provides that a Certificate of Need is valid for a period not to exceed three (3) years (for hospital projects) or two (2) years (for all other projects) from the date of its issuance and after such time shall expire; provided, that the Agency may, in granting the Certificate of Need, allow longer periods of validity for Certificates of Need for good cause shown. Subsequent to granting the Certificate of Need, the Agency may extend a Certificate of Need for a period upon application and good cause shown, accompanied by a non-refundable reasonable filing fee, as prescribed by rule. A Certificate of Need which has been extended shall expire at the end of the extended time period. The decision whether to grant such an extension is within the sole discretion of the Agency, and is not subject to review, reconsideration, or appeal.

1. Please complete the Project Completion Forecast Chart on the next page. If the project will be completed in multiple phases, please identify the anticipated completion date for each phase.
2. If the response to the preceding question *indicates that the applicant does not anticipate completing the project within the period of validity as defined in the preceding paragraph*, please state below any request for an extended schedule and document the “good cause” for such an extension.

Form HF0004
Revised 05/03/04
Previous Forms are obsolete

70
PROJECT COMPLETION FORECAST CHART

Enter the Agency projected Initial Decision date, as published in Rule 68-11-1609(c): 06/26/2013.

Assuming the CON approval becomes the final agency action on that date; 2013 MAR 15 PM 1:19 indicate the number of day from the above agency decision date to each phase of the completion forecast.

<u>Phase</u>	<u>DAYS REQUIRED</u>	<u>Anticipated Date (MONTH/YEAR)</u>
1. Architectural and engineering contract signed	<u>5</u>	<u>06/2013</u>
2. Construction documents approved by the Tennessee Department of Health	<u>150</u>	<u>11/2013</u>
3. Construction contract signed	<u>5</u>	<u>11/2013</u>
4. Building permit secured	<u>10</u>	<u>11/2013</u>
5. Site preparation completed	<u>0</u>	<u>11/2013</u>
6. Building construction commenced	<u>1</u>	<u>11/2013</u>
7. Construction 40% complete	<u>48</u>	<u>01/2014</u>
8. Construction 80% complete	<u>48</u>	<u>03/2014</u>
9. Construction 100% complete (approved for occupancy (renovation)	<u>24</u>	<u>04/2014</u>
10. *Issuance of license	<u>30</u>	<u>05/2014</u>
11. *Initiation of service	<u>10</u>	<u>05/2014</u>
12. Final Architectural Certification of Payment	<u>30</u>	<u>06/2014</u>
13. Final Project Report Form (HF0055)	<u>30</u>	<u>07/2014</u>

*** For projects that do NOT involve construction or renovation : Please complete items 10 and 11 only.**

Note: If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date.

⁷¹
AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF DAVIDSON

2013 MAR 15 PM 1:20

E. Graham Baker, Jr., being first duly sworn, says that he/she is the applicant named in this application or his/her/its lawful agent, that this project will be completed in accordance with the application, that the applicant has read the directions to this application, the Rules of the Health Services and Development Agency, and T.C.A. § 68-11-1601, *et seq.*, and that the responses to this application or any other questions deemed appropriate by the Health Services and Development Agency are true and complete to the best of his/her knowledge.

E. Graham Baker, Jr. ATTORNEY
SIGNATURE/TITLE

Sworn to and subscribed before me this 15th day of March, 2013, a
(month) (year)

Notary Public in and for the County/State of Davidson/Tennessee.

Nadeau E. P. Steel
NOTARY PUBLIC



My commission expires May 6th, 2013.
(Month/Day) (Year)

AMBULATORY SURGICAL TREATMENT CENTERS

Following are responses to the specific criteria for Ambulatory Surgical Treatment Centers on pages 51 and 52 of Tennessee's Health: Guidelines for Growth:

1. *The need for ambulatory surgical services shall be based upon the following assumptions:*

a. *An operating room is available 250 days per year, 8 hours per day.*

Response: Our ASTC will be available 250 days per year, 8 hours per day.

b. *The average time per outpatient surgery case is 60 minutes.*

Response: It is also important to note that the average time for the procedures we provide is about three hours. This means that, at best, only two procedures per day can be provided. Even if our ASTC operates all day long, five days per week, the highest number of procedures we could expect is about 500 per year (2 per day x 5 days per week x 50 weeks per year = 500). Therefore, due to the highly specialized type of procedures we provide and plan to provide, our ASTC will probably never achieve the number of cases per year as outlined in the Guidelines for Growth.

c. *The average time for clean-up and preparation between outpatient surgery cases is 30 minutes.*

Response: Our average clean-up time between procedures is approximately 30 minutes.

d. *The expected capacity of a dedicated, outpatient, general purpose operating room is 80% of full capacity. That equates to 800 cases per year.*

Response: Plastic surgery is a specialized type of procedure, and we do not anticipate performing 800 cases per year, if a case is defined as one patient encounter. We anticipate providing services for 379 and 427 patients for Years 1 and 2, respectively. As more procedures (now performed in an inpatient setting) are approved and safe for outpatient surgery, this number may increase. At present, it is all but impossible to anticipate the exact year or time frame when 800 patients will be seen per year. Conservatively, that level of utilization may take several years, if at all.

It is also important to note that the average time for the procedures we provide is about three hours. This means that, at best, only two procedures per day can be provided. Even if our ASTC operates all day long, five days per week, the highest number of cases we could expect is about 500 per year (2 per day x 5 days per week x 50 weeks per year = 500). Therefore, due to the highly specialized type of procedures we provide and plan to provide, our ASTC will probably never achieve the number of cases per year as outlined in the Guidelines for Growth.

Finally, it is important to state that most of the cases historically seen by the surgeons of the Applicant are seen in an existing office based surgery suite. Therefore, these patients will have a safer environment for their procedures, irrespective of how many cases are seen. Also, these patients are not patients of existing ASTCs at present.

That said, the Applicant will have the ability to perform 800 operations and/or procedures per year. During Year 2, we anticipate performing services to 427 patients. On average, each patient has a little over 2 procedures each. This results in our ability to perform in excess of 854 procedures per year.

- e. Unstaffed operating rooms are considered available for ambulatory surgery and are to be included in the inventory and in the measure of capacity.*

Response: Unstaffed rooms, as reported on the Joint Annual Reports for both existing ASTCs and hospitals, were included in the utilization data. Please see *Attachments B.I.A.3 & B.I.A.4.*

- 2. "Service Area" shall mean the county or counties represented by the applicant as the reasonable area to which the facility intends to provide services and/or in which the majority of its service recipients reside.*

Response: Our primary service area in Tennessee consists of Davidson and Williamson Counties. However, the large majority of our patients come to us from out of state. While not all of our patients have surgery, most do. During the last three years, the more significant areas of patient origin for the Owner's practice is as follows:

Applicant's Patient Origin – 2010 - 2012

Patient Origin	# of Pts	(Cum)
Davidson Co, TN	417	417
Kentucky	321	738
Williamson Co, TN	243	981
Florida	132	1113
Alabama	115	1228

The above service area represents those areas from which over 90% of our patients originate. In addition to the above, the Applicant saw patients during the same time period from 17 other states, and several foreign countries.

Please see *Attachment C.Need.3* for a map of the primary service area located in Tennessee.

3. *The majority of the population of a service area for ambulatory surgical services should reside within 30 minutes travel time to the facility.*

The majority of our patients in our primary service area do not live within a 30-minute drive of our facility. The primary service area will include two Middle Tennessee counties (Davidson and Williamson) and several other states. Drs. Maxwell and O'Shaughnessy are both nationally and internationally known, and their patient origin reflects such.

4. *All applicants should demonstrate the ability to perform a minimum of 800 operations and/or procedures per year per operating room and/or procedure room. This assumes 250 days x 4 surgeries/procedures x .80.*

Response: Plastic surgery is a specialized type of procedure, and we do not anticipate performing 800 cases per year, if a case is defined as one patient encounter. We anticipate providing services for 379 and 427 patients for Years 1 and 2, respectively. As more procedures (now performed in an inpatient setting) are approved and safe for outpatient surgery, this number may increase. At present, it is all but impossible to anticipate the exact year or time frame when 800 patients will be seen per year. Conservatively, that level of utilization may take several years, if at all.

It is also important to note that the average time for the procedures we provide is about three hours. This means that, at best, only two procedures per day can be provided. Even if our ASTC operates all day long, five days per week, the highest number of cases we could expect is about 500 per year (2 per day x 5 days per week x 50 weeks per year = 500). Therefore, due to the highly specialized type of procedures we provide and plan to provide, our ASTC will probably never achieve the number of cases per year as outlined in the Guidelines for Growth.

Finally, it is important to state that most of the cases historically seen by the surgeons of the Applicant are seen in an existing office based surgery suite. Therefore, these patients will have a safer environment for their procedures, irrespective of how many cases are seen. Also, these patients are not patients of existing ASTCs at present.

That said, the Applicant will have the ability to perform 800 operations and/or procedures per year. During Year 2, we anticipate performing services to 427 patients. On average, each patient has a little over 2 procedures each. This results in our ability to perform in excess of 854 procedures per year.

5. *A certificate of need (CON) proposal to establish a new ambulatory surgical treatment center or to expand the existing services of an ambulatory treatment center shall not be approved unless the existing ambulatory surgical services within the applicant's service area or within the applicant's facility are demonstrated to be currently utilized at 80% of service capacity. Notwithstanding the 80% need standard, the Health Services and Development Agency may consider proposals for additional facilities under the following conditions: proposals for facilities offering limited-specialty type programs or proposals for facilities where accessibility to surgical services is limited.*

Response: See utilization charts for ASTCs limited to plastic surgery (there is only one), and ASTCs where plastic surgery is, or can be, performed. These charts are included as *Attachments B.I.A.3* and *B.I.A.4*.

Note that Delozier reported one OR and 486 patients with a total of 992 procedures in 2011. Other ASTCs where plastic surgery was reported averaged 2,105 procedures per OR in 2011.

6. *A CON proposal to establish an ambulatory surgical treatment center or to expand existing services of an ambulatory surgical treatment center must specify the number of projected surgical operating rooms to be designated for ambulatory surgical services.*

Response: The Applicant proposes to convert its one surgery suite room into one licensed operating room.

7. *A CON proposal to establish an ambulatory surgical treatment center or to expand existing services of an ambulatory surgical treatment center must project patient utilization for each of the first eight calendar quarters following the completion of the proposed project. All assumptions, including the specific methodology by which utilization is projected, must be clearly stated.*

Response: The Applicant conservatively projects performing plastic surgery services for 379 and 427 patients in Years 1 and 2 following approval. Based on those projections, the quarterly projections would be as follows:

1 st	94	5 th	106
2 nd	95	6 th	106
3 rd	95	7 th	107
4 th	95	8 th	108

The Applicant has no specific methodology for making these quarterly projections. Total projections were based on combining historic utilization at our office based surgery suite and utilization of existing ASTCs in Nashville. Since the Applicant has existing patients and a long history of providing plastic surgery, there would be no "ramp up" process involved with projected utilization. Therefore, the annual estimates for Years 1 and 2 were merely divided into quarters.

8. *A CON proposal to establish an ambulatory surgical treatment center or to expand the existing services of an ambulatory surgical treatment center must project patient origin by percentage by county of residence. All assumptions, including the specific methodology by which utilization is projected, must be clearly stated.*

Response: Our primary service area in Tennessee consists of Davidson and Williamson Counties. However, the large majority of our patients come to us from out of state. While not all of our patients have surgery, most do. During the last three years, the more significant areas of patient origin for the Owner's practice is as follows:

2013 MAR 26 AM 11: 38

Applicant's Patient Origin – 2010 - 2012

Patient Origin	# of Pts	(Cum)
Patient Origin	# of Pts	(Cum)
Davidson Co, TN	417	417
Kentucky	321	738
Williamson Co, TN	243	981
Florida	132	1113
Alabama	115	1228

The above service area represents those areas from which over 90% of our patients originate. In addition to the above, the Applicant saw patients during the same time period from 17 other states, and several foreign countries.

There is no specific methodology in determining our proposed service area, other than examining our existing service area. We anticipate no change.



Grand Regions by MCO



West Tennessee

AmeriChoice	Benton, Carroll, Chester, Crockett, Decatur, Dyer, Fayette, Gibson, Hardeman, Hardin, Haywood, Henderson, Henry, Lake, Lauderdale, Madison, McNairy, Obion, Shelby, Tipton, Weakley
BlueCare	
TennCare Select	

Middle Tennessee

AmeriChoice	Bedford, Cannon, Cheatham, Clay, Coffee, Cumberland, Davidson, DeKalb, Dickson, Fentress, Giles, Hickman, Houston, Humphreys, Jackson, Lawrence, Lewis, Lincoln, Macon, Marshall, Maury, Montgomery, Moore, Overton, Perry, Pickett, Putnam, Robertson, Rutherford, Smith, Stewart, Sumner, Trousdale, Van Buren, Warren, Wayne, White, Williamson, Wilson
AmeriGroup	
TennCare Select	

East Tennessee

AmeriChoice	Anderson, Bledsoe, Blount, Bradley, Campbell, Carter, Claiborne, Cocke, Franklin, Grainger, Greene, Grundy, Hamblen, Hamilton, Hancock, Hawkins, Jefferson, Johnson, Knox, Loudon, Marion, McMinn, Meigs, Monroe, Morgan, Polk, Rhea, Roane, Scott, Sequatchie, Sevier, Sullivan, Unicoi, Union, Washington
BlueCare	
TennCare Select	


TENNCARE

Certified Medical Office Based Surgery Suite



State of Tennessee

This is to certify, that
 is a Medical Office Based Surgery Suite,
 Located at 2020 21ST AVENUE SOUTH, NASHVILLE

MAXWELL AESTHETICS

This certification shall expire NOVEMBER 30, 2010, and is subject to the provisions of Chapter 6, Tennessee Code Annotated. This certification shall not be assignable or transferable, and shall be subject to revocation at any time by the State Department of Health, for failure to comply with the laws of the State of Tennessee or the rules and regulations of the State Department of Health issued hereunder.

In Witness Whereof, we have hereunto set our hand and seal of the State this 6TH day of NOVEMBER, 2009.

In the Specialty(ies) of: PLASTIC SURGERY

Mitchell L. Whitson President
Charles W. White
A. Kolodny MD Vice President
Arthur D. Alb, MD Secretary
Michael Zandli MD
Regina A. White



Wm J. Davis
 Director, Health Related Boards

Plastic Top 10 Procedure Charges

<u>Procedure</u>	<u>Charge</u>
Breast Revision for Cancer	\$4,378.00
Breast Revision for Cosmetic	\$4,378.00
Mastopexy	\$3,850.00
Abdominoplasty	\$4,042.00
Breast Augmentation	\$3,250.00
Liposuction	\$3,114.00
Breasts Reduction	\$6,750.00
Cervical Lift/Rhytidectomy	\$3,229.00
Blepharoplasty	\$4,994.00
Rhinoplasty	\$4,378.00

**Service Area ASTCs
Plastic Surgery Only**

Facility Name	Co.	ORs	PR	T RM	Pts	Proc.	Total Pts	Total Proc.	Proc./RM
2011- Delozier Surgery Center	Davidson	1	0	1	486	992	486	992	992
2010- Delozier Surgery Center	Davidson	1	3	4	426	954	426	954	239
2009- Delozier Surgery Center	Davidson	1	3	4	388	865	388	865	216

Legend : ORs = Number of Operating Rooms

PRs = Number of Procedure Rooms

T RM = Total Number of Operating Rooms plus Procedure Rooms

Pts = Number of Plastic Surgery Patients

Proc. = Number of Plastic Surgery Procedures

Total Pts = Total Number of patients seen during year

Total Proc. = Total Number of Procedures Performed during year

Proc./RM = Total Proc. / T RM

Source: 2011, 2010 & 2009 JAR, Schedule D - Availability and Utilization of Service

Service Area ASTC's
Multi-Specialty, Including Plastic Surgery

2010	Co.	ORs	PR	T RM	Pts	Proc.	Total Pts	Total Proc.	Proc./RM
Baptist Ambulatory Surgery Center	Davidson	6	1	7	1	1	7,472	12,709	1,816
Baptist Plaza Surgicare	Davidson	9	1	10	910	2,285	9,427	23,104	2,310
Centennial Surgery Center	Davidson	6	2	8	355	707	7,217	13,403	1,675
Nashville Surgery Center	Davidson	5	1	6	313	489	4,141	5,392	899
Northridge Surgery Center	Davidson	4	1	5	46	108	3,673	9,599	1,920
St. Thomas Campus Surgicare	Davidson	6	1	7	337	645	6,835	19,479	2,783
Summit Surgery Center	Davidson	5	1	6	105	257	6,873	13,277	2,213
Cool Springs Surgery Center	Williamson	5	1	6	161	394	6,790	11,114	1,852
Williamson Surgery Center	Williamson	4	1	5	184	210	3,531	4,417	883
Total		50	10	60	2,412	5,096	55,959	112,494	1,875

Legend : ORs = Number of Operating Rooms

PRs = Number of Procedure Rooms

T RM = Total Number of Operating Rooms plus Procedure Rooms

Pts = Number of Plastic Surgery Patients

Proc. = Number of Plastic Surgery Procedures

Total Pts = Total Number of patients seen during year

Total Proc. = Total Number of Procedures Performed during year

Proc./RM = Total Proc. / T RM

* No JAR

Source: 2010 JAR, Schedule D - Availability and Utilization of Service

**Service Area ASTC's
Multi-Specialty, Including Plastic Surgery**

2011		Co.	ORs	PR	T RM	Pts	Proc.	Total Pts	Total Proc.	Proc./RM
Baptist Ambulatory Surgery Center		Davidson	*	*	*	*	*	*	*	*
Baptist Plaza Surgicare		Davidson	9	1	10	912	2,329	9,171	21,635	2,164
Centennial Surgery Center		Davidson	6	2	8	344	651	7,405	13,486	1,686
Nashville Surgery Center		Davidson	5	1	6	338	503	4,155	5,293	882
Northridge Surgery Center		Davidson	4	2	6	35	91	3,201	16,416	2,736
St. Thomas Campus Surgicare		Davidson	6	1	7	326	990	7,639	25,441	3,634
Summit Surgery Center		Davidson	5	1	6	89	229	6,505	14,112	2,352
Cool Springs Surgery Center		Williamson	5	1	6	136	437	6,501	10,841	1,807
Williamson Surgery Center		Williamson	4	1	5	144	308	3,410	6,443	1,289
Total			44	10	54	2,324	5,538	47,987	113,667	2,105

Legend : ORs = Number of Operating Rooms

PRs = Number of Procedure Rooms

T RM = Total Number of Operating Rooms plus Procedure Rooms

Pts = Number of Plastic Surgery Patients

Proc. = Number of Plastic Surgery Procedures

Total Pts = Total Number of patients seen during year

Total Proc. = Total Number of Procedures Performed during year

Proc./RM = Total Proc. / T RM

* No JAR

Source: 2011 JAR, Schedule D - Availability and Utilization of Service

Service Area ASTC's
Multi-Specialty, Including Plastic Surgery

2009	Co.	ORs	PR	T RM	Pts	Proc.	Total Pts	Total Proc.	Proc./RM
Baptist Ambulatory Surgery Center	Davidson	6	1	7	3	9	7680	16670	2,381
Baptist Plaza Surgicare	Davidson	9	1	10	916	2,143	9,922	24,153	2,415
Centennial Surgery Center	Davidson	6	2	8	140	651	3,633	13,471	1,684
Nashville Surgery Center	Davidson	5	1	6	321	678	3,426	7,236	1,206
Northridge Surgery Center	Davidson	4	1	5	38	106	3,789	11,202	2,240
St. Thomas Campus Surgicare	Davidson	6	1	7	309	724	8,028	18,361	2,623
Summit Surgery Center	Davidson	5	1	6	114	280	7,279	13,897	2,316
Cool Springs Surgery Center	Williamson	5	1	6	178	403	6,751	10,491	1,749
Williamson Surgery Center	Williamson	4	3	7	222	346	3,680	6,211	887
Total		44	11	55	2,238	5,331	46,508	105,022	1,909

Legend : ORs = Number of Operating Rooms

PRs = Number of Procedure Rooms

T RM = Total Number of Operating Rooms plus Procedure Rooms

Pts = Number of Plastic Surgery Patients

Proc. = Number of Plastic Surgery Procedures

Total Pts = Total Number of patients seen during year

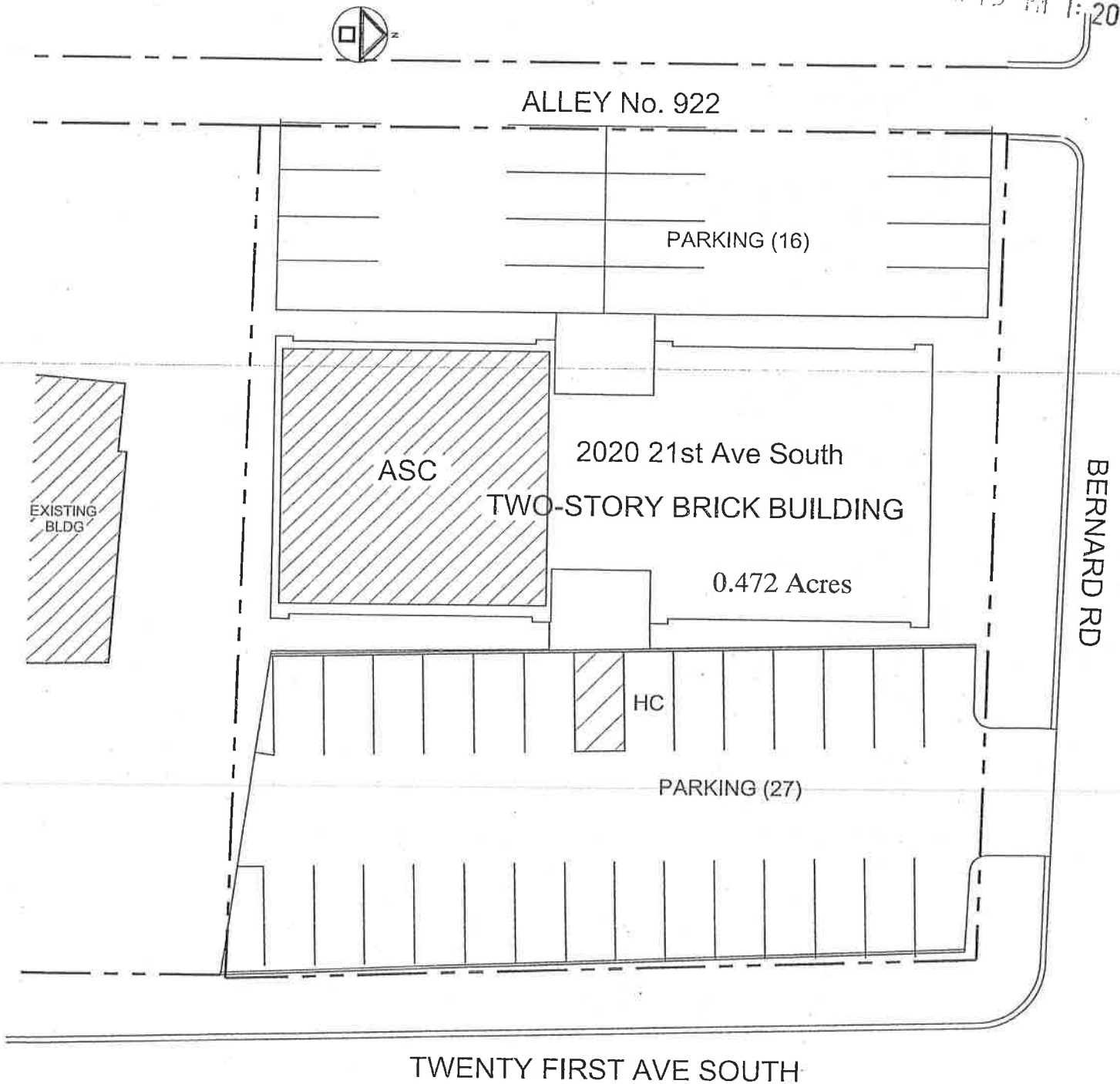
Total Proc. = Total Number of Procedures Performed during year

Proc./RM = Total Proc. / T RM

* No JAR

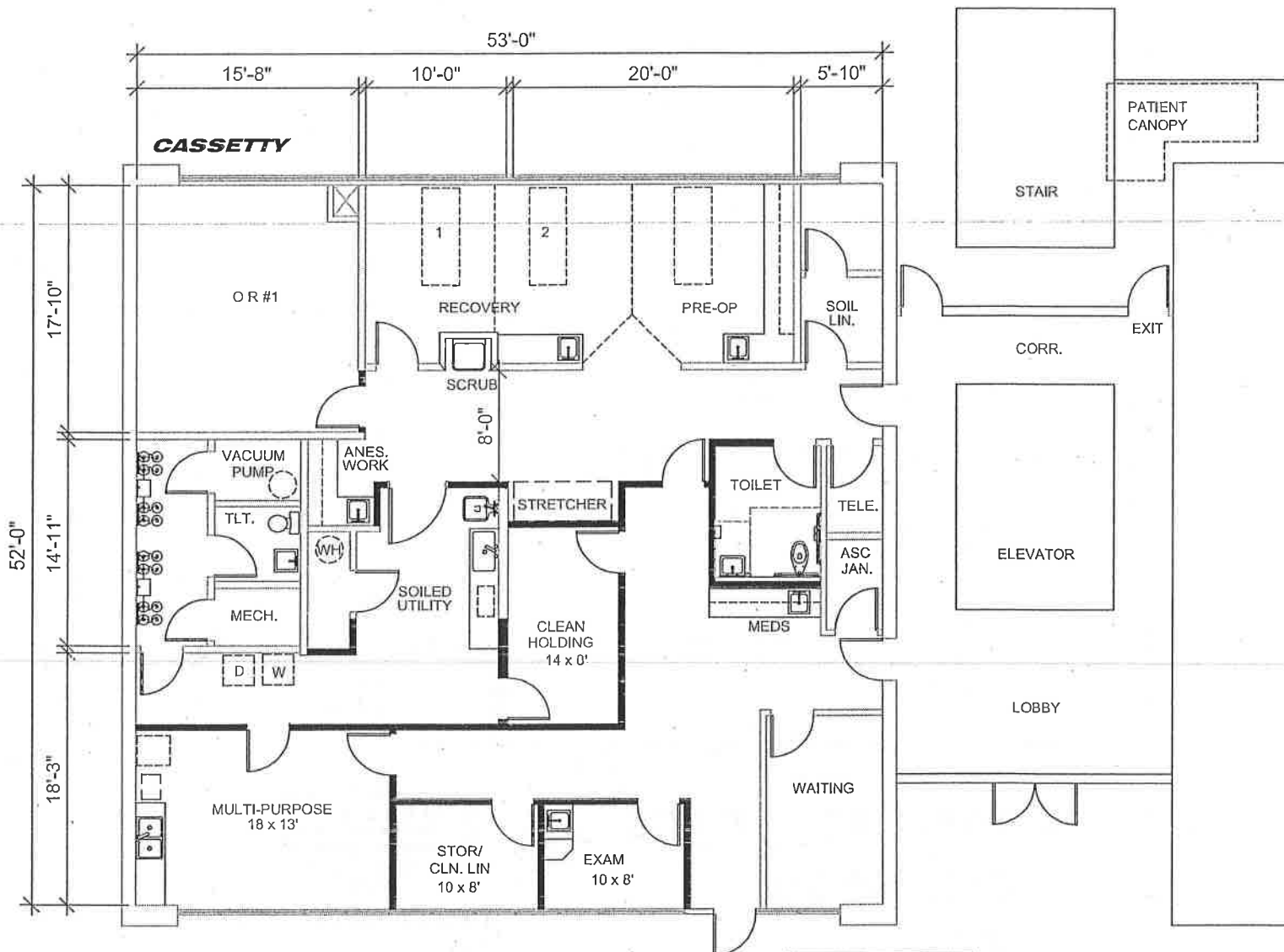
Source: 2009 JAR, Schedule D - Availability and Utilization of Service

2013 MAR 15 PM 1:20

**MAXWELL AESTHETICS**2020 21 ST AVE. S
Nashville, TN 37212
CASSETTY ARCHITECTURE PC
300 WEST MAIN STREET
NASHVILLE, TN 37203
TEL: 615-259-8111
FAX: 615-259-8112
Proj. No. 0513
CASSETTY

03-04-13

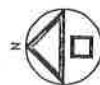
After Renovation



MAXWELL AESTHETICS

2020 21 ST AVE. S
Nashville, TN 37212

Scheme 1

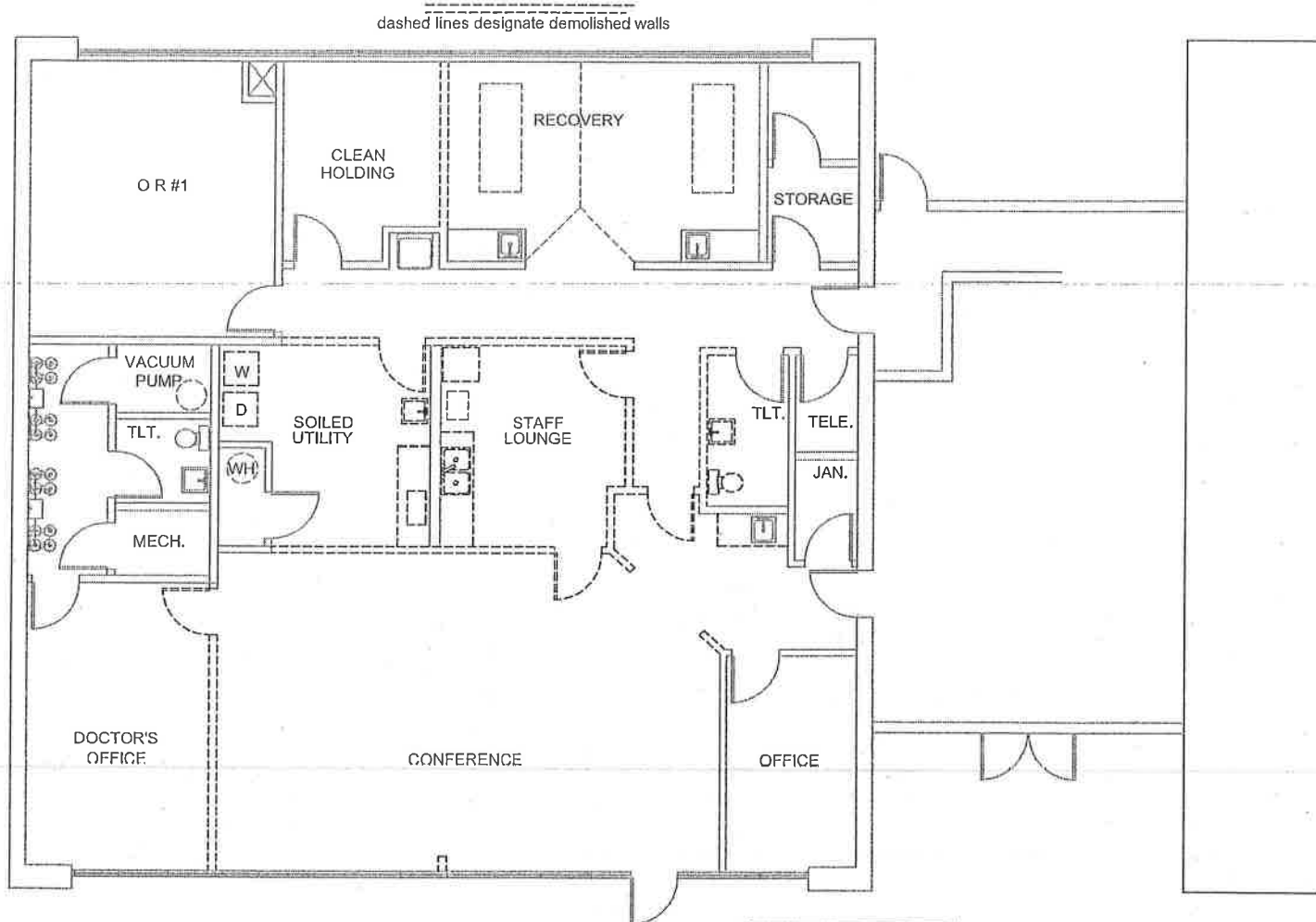


CASSETTY ARCHITECTURE, P.C.
400 WEST HARRIS STREET
NASHVILLE, TN 37203
TEL: (615) 822-0711
FAX: (615) 822-0600

Proj. No. 0513
CASSETTY

03-04-13

Existing



MAXWELL AESTHETICS

2020 21 ST AVE. S
Nashville, TN 37212

Demolition Plan

CASSETTY
ARCHITECTURE

CASSETTY ARCHITECTURE, PC
101 WEST MAIN STREET
MEMPHIS, TN 38103
TEL: (901) 422-8711
FAX: (901) 422-0809

Proj. No. 0513 03-04-13

21 ST AVE. S



March 4, 2013

**Re: Verification of Construction Cost Estimate
For Ambulatory Surgery Center, Nashville, TN-
Maxwell Aesthetics Surgery Center
Arch Proj. No. 0513**

To Whom It May Concern:

Cassetty Architecture, P.C., an architectural firm in Hendersonville, TN, has reviewed the cost data provided by the owner for the referenced project. The stated construction cost for this new facility is **\$238,242.00**. (In providing opinion of probable construction cost, the Client understands the consultant has no control over the cost or availability of labor, equipment or materials, or over market conditions or the Contractor's method of pricing, and that the Consultant's opinions of probable construction costs are made on the basis of the Consultant's professional judgment and experience. The consultant makes no warranty, express or implied, that the bids or the negotiated cost of the Work will not vary from the Consultant's opinion of probable construction cost.)

It is our opinion that at this time, the project construction cost is reasonable for this type and size of a project and compares appropriately with similar projects in this market.

The building codes applicable to this project will be:

- International Building Code, 2006 edition
- International Fire Code, 2006 edition
- International Energy Conservation Code, 2000 edition
- International Mechanical Code, 2006 edition
- International Fuel Gas Code, 2006 edition
- International Plumbing Code, 2006 edition
- International Property Maintenance Code, 2000 edition
- National Electrical Code, 2005 edition
- North Carolina Handicapped Code, 1999 edition, with 2004 amendments
- Accessibility and Usability Code – ANSI A117.1, 2003 edition
- National Fire Protection Code (NFPA Life Safety 101 - 2006 edition)
- 2010 AIA Guidelines for Design and Construction of Hospital and Health Care Facilities
- Americans with Disability Act (ADA)

Sincerely,

A handwritten signature in black ink, appearing to read "Clint Cassetty", is written over a horizontal line.

CASSETTY ARCHITECTURE, P.C.
Clint Cassetty, President
NCARB, TN Reg. 100605

copy: agency file

5-Mar-13 Cassetty Architecture Phone: 615-822-5711
Original Conceptual Construction Cost Estimate Based Upon Preliminary Schematic Plan

Maxwell Aesthetics ASC 2020 21st Ave S, Nashville, TN Proj. No. 0513	Ambulatory Surgery Tenant 2,000 SF
--	---------------------------------------

No.	Item	Total	Bldg. Cost SF
1100	General Conditions	\$ 26,000.00	\$ 13.00
1200	Sign Allowance	\$ 4,000.00	\$ 2.00
1400	Testing services	\$ 1,500.00	\$ 0.75
1425	Permit	\$ 6,000.00	\$ 3.00
1500	Temp Utilities	\$ 3,700.00	\$ 1.85
2000	Site paving/Grading	\$ -	\$ -
2200	Demolition	\$ 8,000.00	\$ 4.00
3300	Concrete	\$ 3,000.00	\$ 1.50
4400	Brick veneer	\$ -	\$ -
5500	Steel -reinf	\$ -	\$ -
6100	Rough Carpentry	\$ 10,000.00	\$ 5.00
6200	Finish Carpentry/ Millwork	\$ 12,000.00	\$ 6.00
7270	Firestopping/Insul	\$ 3,700.00	\$ 1.85
7300	Roofing	\$ -	\$ -
7400	Ext. Insul. Fin. Sys.	\$ -	\$ -
8110	Doors, Frames, Hdwe	\$ 4,500.00	\$ 2.25
8800	Glass, Aluminum Storefront	\$ 1,700.00	\$ 0.85
9260	Gypsum Bd.,	\$ 12,000.00	\$ 6.00
9300	Acoustic Ceiling	\$ 7,000.00	\$ 3.50
9311	Ceramic Tile	\$ -	\$ -
9680	Carpet and Vinyl Fl	\$ 13,000.00	\$ 6.50
9900	Painting	\$ 16,000.00	\$ 8.00
10100	Misc. Specialties	\$ 1,800.00	\$ 0.90
12511	Horiz. Mini Blinds	\$ 1,000.00	\$ 0.50
14240	Elevator	\$ -	\$ -
15000	Mechanical/Plumbing	\$ 34,000.00	\$ 17.00
15300	Sprinklers	\$ -	\$ -
16000	Electrical	\$ 22,000.00	\$ 11.00
	Canopy	\$ 11,000.00	\$ 5.50
Subtotal		\$ 201,900.00	\$ 100.95
	Insurance	\$ 6,057.00	
	Bonding	\$ 10,095.00	
		\$ 218,052.00	\$ 109.03 SF w/o Contingency
	Contingency %10	\$ 20,190.00	

TOTAL	\$ 238,242.00
--------------	----------------------

\$ 119.12 SF incl. Contingency

Interior Renovation





2300 CHARLOTTE AVE
SUITE 103
NASHVILLE, TN 37203

FAX (615) 321-5074

16 WEST 22ND STREET
3RD FLOOR
NEW YORK, NY 10010

FAX (212) 337-1283

Attachment C.E.F.2

89

MAILING ADDRESS P.O. BOX 331549, NASHVILLE, TN 37203-7515

March 8, 2013

To Whom It May Concern:--

This is to verify that G. Patrick Maxwell, MD, the sole owner of Maxwell Aesthetics, PLLC, has available, uncommitted funds in Wells Fargo Bank that are far in excess of the \$515,242 required to convert his Operating Room to CON standards. Dr. Maxwell has, in fact, in excess of \$7 million of funds available and uncommitted.

Further, I am instructed by Dr. Maxwell to transfer the funds necessary for the Operating Room conversion to the bank account of Maxwell aesthetics as soon as those funds are required.

Sincerely,

A handwritten signature in black ink, appearing to read 'Frank Bumstead', written in a cursive style.

Frank M. Bumstead

Business and Financial Manager for Dr. Maxwell

90
MAXWELL AESTHETICS, PLLC
Balance Sheet
December 31, 2012

Attachment C.EF.10

ASSETS

Current Assets		
Bank Of Nashville	\$	81,520.14
CHANGE FUND-FRONT DESK		<u>200.00</u>
Total Current Assets		81,720.14
Property and Equipment		
Furniture & Fixtures		117,709.35
Medical Equipment		102,933.65
Medical Equipment-OR		101,765.18
Leasehold Improvements		157,675.90
Leasehold Improvements-OR		115,025.98
Computer Equipment & Software		42,862.99
Office Equipment		54,065.46
Accumulated Depreciation		(694,298.84)
Accumulated Amortization		<u>142,048.00</u>
Total Property and Equipment		139,787.67
Other Assets		
Accounts Receivable-Stover		5,150.00
Inventory-Products		<u>23,727.40</u>
Total Other Assets		28,877.40
Total Assets	\$	<u><u>250,385.21</u></u>

LIABILITIES AND CAPITAL

Current Liabilities		
Total Current Liabilities		<u>0.00</u>
Long-Term Liabilities		
Total Long-Term Liabilities		<u>0.00</u>
Total Liabilities		0.00
Capital		
Capital -Maxwell	\$	506,110.28
Capital -Delozier		1,950.42
Capital -Gingress		(2,871.70)
Capital -Fisher		(27,141.47)
Owner Draw		(511,981.66)
Shareholder Equity		(165,681.40)
Net Income		<u>450,000.74</u>
Total Capital		250,385.21
Total Liabilities & Capital	\$	<u><u>250,385.21</u></u>

Unaudited - For Management Purposes Only

91
Maxwell Aesthetics, LLC
Administration Statement
December 2012

INCOME	Current Month	DEC 2011	2012 YTD	2011 YTD
Gross Charges - GPM	157,213.70	\$ 130,324.610	1,936,202.34	1,520,919.24
Gross Charges -KO	123,434.40	198,285.68	655,647.61	973,741.42
Gross Charges - Consults - GPM	2,400.00	1,750.00	38,775.00	26,775.00
Gross Charges - Consults -KO	1,014.00	4,210.00	20,778.44	50,381.00
Gross Receipts - Physicians Fees	116,296.22	146,512.04	1,856,256.23	1,739,821.28
Gross Receipts - Implants	9,600.00	8,800.00	195,600.00	152,900.00
Gross Receipts - Anesthesia	10,800.00	6,800.00	159,150.00	127,900.00
Gross Receipts - Allograft	1,713.32	23,713.91	123,026.00	185,597.67
Research/Mis Income	2,250.00	0.00	24,725.85	65,399.15
Product Sales	27,320.29	51,997.98	281,986.42	282,906.22
Refunds	<12,326.23>	<3,994.20>	<44,560.31>	<53,656.99>
Net Practice Receipts	155,653.60	233,829.73	2,596,184.19	2,500,867.33
COST OF GOODS SOLD	56,598.50	44,812.83	612,814.12	617,030.22
Advertising/Marketing	1,934.00	1,615.89	17,043.16	22,456.65
Bank Charges	4,636.24	1,524.62	30,496.28	29,161.85
Charitable Contributions	455.74	500.96	2,337.74	900.21
Computer Expenses	11,783.48	8,305.66	43,920.14	32,405.12
Contract Labor	750.00	9,222.33	62,639.04	61,213.16
Dues and Memberships	0.00	1,378.00	8,888.13	8,362.06
Employee Retirement Expense	0.00	0.00	11,279.10	2,171.79
Equipmental Rental	143.12	245.60	3,730.30	3,122.05
Fellow Expenses	0.00	4,681.99	11,467.61	30,594.33
Insurance - GPM	2,439.13	80.79	36,670.25	16,551.73
Insurance/Business	0.00	0.00	4,840.00	15,369.79
Insurance/Malpractice	26,713.00	0.00	53,011.00	0.00
Insurance - Employee	2,797.63	<842.40>	37,379.15	18,970.52
Legal and Professional Fees	4,409.24	325.69	20,961.20	30,865.47
Licenses and Taxes	0.00	0.00	17,367.21	14,436.13
Linen Service	327.75	0.00	4,697.13	4,320.74
Maintenance Agreements/Repairs	3,816.71	13,037.88	39,548.90	64,308.37
Medical/OR Supplies	10,458.58	19,273.96	103,224.46	122,477.74
Office Supplies	2,768.67	3,932.85	28,366.67	34,547.97
Physician Bonus/Receipts - KDO	0.00	0.00	79,922.73	0.00
Postage	196.94	238.68	3,396.93	9,418.45
Rent/Building Expenses	13,127.98	13,218.02	155,401.59	154,767.61
Research Expenses	1,475.00	3,050.00	10,825.00	11,802.06
Salaries/Benefits	49,078.60	31,795.45	500,387.09	498,659.43
Telephone Service	1,896.40	1,412.02	15,957.26	15,575.13
Transcription	375.13	340.44	4,720.08	3,494.04
Travel and Entertainment	0.00	0.00	3,412.15	1,227.16
Utilities	310.97	517.80	5,087.23	5,580.80
TOTAL OPERATING EXPENSES	139,894.31	113,856.23	1,316,977.53	1,212,760.36
NET INCOME	-40,839.21	75,160.67	666,392.54	671,076.75
KDO EXPENSES	23,229.62	21,462.18	216,391.80	240,297.32
NET INCOME	-64,068.83	53,698.49	450,000.74	430,779.43

92
MAXWELL AESTHETICS, LLC
OR INCOME STATEMENT
DECEMBER 2012

INCOME	Current Mon	Same Mo. 2011	2012 YTD	2011 YTD
Number of Cases	19	16	210	178
Gross Charges - GPM	64,150.00	28,550.00	803,752.00	656,440.00
Gross Charges - KO	11,154.00	18,559.00	96,190.00	182,979.00
Surgery Fees Collected	56,871.38	43,575.00	732,741.80	662,895.30
Anesthesia	10,800.00	6,800.00	159,150.00	127,900.00
Alloderm	1,713.32	23,713.91	124,739.32	185,597.67
Implants	9,600.00	8,800.00	195,600.00	152,900.00
OR Fees Collected	18,110.00	11,830.00	212,620.00	168,746.00
NET RECEIPTS	94,394.70	94,718.91	1,424,851.12	1,298,038.97
COGS/OR SUPPLIES	48,882.05	29,396.62	462,074.32	463,358.24
EXPENSES				
Salaries	12,933.17	7,626.50	119,905.80	141,219.02
Payroll Taxes	694.02	805.08	13,206.36	15,446.66
OR Supplies	6,697.85	13,362.58	85,614.90	72,836.52
Licenses	0.00	0.00	1,085.00	1,085.00
Postage	0.00	0.00	117.50	654.00
Maintenance Agreements	1,889.90	2,630.49	11,463.11	11,282.26
Medical Waste Disposal	59.50	258.90	2,000.72	1,529.18
Equipment Rental	143.12	143.12	1,810.27	1,131.86
Legal and Accounting	0.00	0.00	0.00	4,882.50
Miscellaneous	84.72	0.00	84.72	0.00
TOTAL OPERATING EXPENSES	22,502.28	24,826.67	235,288.38	250,067.00
NET INCOME	23,010.37	40,495.62	727,488.42	584,613.73

93
MAXWELL AESTHETICS, LLC
AESTHETICS INCOME STATEMENT
DECEMBER 2012

INCOME	Current Mont	Same Mo. 2011	2012 YTD	2011 YTD
TOTAL PRODUCT SALES	27,320.29	*51,997.98	281,986.42	282,906.22
DONNA	18,066.55	21,163.53	164,410.37	166,928.81
NATALIE	3,719.08	0.00	20,828.08	
OTHERS	5,534.66	30,834.45	96,747.97	115,977.41
COST OF GOODS SOLD	7,716.45	15,416.21	150,692.41	153,671.98
GROSS PROFIT	19,603.84	36,581.77	131,294.01	129,234.24
EXPENSES				
Salaries/Commissions	5,627.34	5,260.30	48,792.31	49,186.08
Payroll Taxes	309.47	297.20	4,451.77	2,900.18
Aesthetics Supplies	856.38	0.00	3,716.01	280.63
Marketing and Advertising	1,117.00	1,146.99	13,286.86	13,720.75
Repairs and Maintenance	0.00	0.00	0.00	2,512.76
Quarterly Sales Tax	0.00	0.00	5,653.00	5,197.00
Postage	196.94	182.68	1,811.82	3,605.87
TOTAL OPERATING EXPENSES	8,107.13	6,887.17	77,711.77	77,403.27
NET INCOME	11,496.71	29,694.60	53,582.24	51,830.97

\$29,139.66 paid by S. Maxwell on personal acct in Dec 2011

94
INCOME STATEMENT
KRISTINA O'SHAUGHNESSY, M.D.
DECEMBER 2012

INCOME	Current Month	Same Mo. 2011	2012 YTD	2011 YTD
Surgeries	28	10	135	114
Fees Charged	123,434.40	198,285.68	655,647.61	1,234,198.71
Net Receipts (less refunds)	*24,016.91	45,714.41	451,007.48	570,898.16
Adjustments	46,918.96	66,845.33	736,310.11	430,693.78
Other Income/First Tenn Bank	3,546.44		84,784.19	0.00
PERSONAL EXPENSES				
Charitable Contributions	0.00	0.00	1,550.00	0.00
Credentialing	0.00	0.00	0.00	475.00
Dedicated Employees	6,176.93	5,350.50	45,385.68	5,350.50
Dues and Subscriptions Exp	0.00	0.00	350.00	410.00
Joint Furniture and Equip Purch	0.00	0.00	0.00	0.00
Insurance Expense	317.00	0.00	2,536.00	840.00
Legal and Professional Exp	0.00	0.00	0.00	0.00
Licenses Expense	0.00	0.00	870.00	951.00
Meals and Entertainment Exp	0.00	0.00	0.00	0.00
Miscellaneous Expense	0.00	0.00	0.00	0.00
Physician Salary/Fica	15,607.66	15,607.68	137,289.44	244,281.18
Office supplies	48.03	0.00	1,309.30	1,258.02
Medical Supplies	0.00	0.00	0.00	0.00
Professional Development Exp	0.00	0.00	230.00	77.46
Professional Liability Insurance	0.00	0.00	14,055.50	25,442.00
Telephone Expense	0.00	0.00	1,803.79	502.23
Transcription	1,080.00	387.00	7,544.34	7,293.96
Travel Expense	0.00	117.00	3,467.75	1,927.40
Pension Expense	0.00	0.00	0.00	0.00
TOTAL PERSONAL EXPENSES	23,229.62	21,462.18	216,391.80	288,808.75
OVERHEAD ALLOCATION	15,437.16	25,934.18	131,897.48	287,304.61
NET INCOME - KO	-14,649.87	-1,681.95	102,718.20	-5,215.20
QUARTERLY BONUS			33,916.90	
NET INCOME AFTER BONUS	-14,649.87	-1,681.95	68,801.30	-5,215.20

*December revenue totaling \$13,898 was applied in January due to relocation of billing company

December 2012 Overhead Allocation

Total Practice Overhead	\$140,905.44
-------------------------	--------------

Office Only	47,799.91
-------------	-----------

Net Receipts:	\$61,269
---------------	----------

GPM	\$43,737
KO	\$17,522

GPM	71% of overhead	\$33,938
KO	29% of overhead	\$13,862.00

Total Overhead for MA OR	\$22,502.28
--------------------------	-------------

Net Receipts	\$94,394.70
--------------	-------------

GPM	\$87,900.00
KO	\$6,494.70

GPM	93% of overhead	\$20,927.12
KO	7% of overhead	\$1,575.16

Total overhead allocation for KO	\$15,437.16
----------------------------------	-------------

Dr. Maxwell had 14 working days in December

Dr. O'Shaughnessy had 16 working days in December

Top Ten Procedures

1. Breast Revision for Cancer
 2. Breast Revision – Cosmetic
 3. Mastopexy
 4. Abdominoplasty
 5. Breast Augmentation
 6. Liposuction
 7. Breast Reduction
 8. Cervical Lift/Rhytidectomy
 9. Blepharoplasty
 10. Rhinoplasty
-

OR Staffing:

OR Manager \$41/hr

OR RN \$32/hr

OR PACU \$32/hr

Scrub Tech \$19.75/hr \$17.00/hr (avg \$18.75/hr)

1st Assistant \$50/hr

Needed Per Case:

1 RN

1 Tech

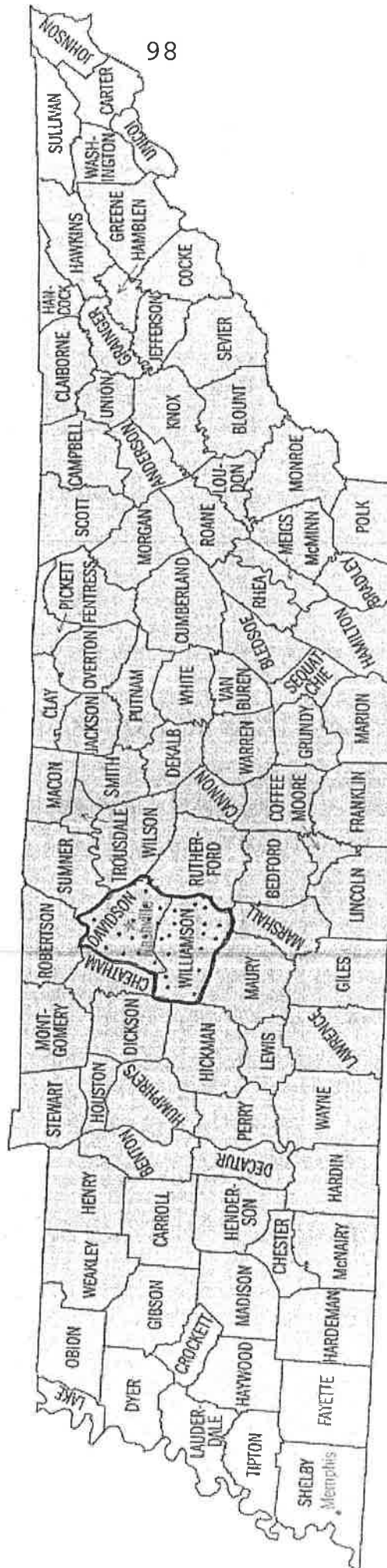
1 1st Asst

Average Salary per Case: \$136/hr = \$408/case

Anticipated increase in cases/year: 155

Anticipated increase in salaries/year \$63,240

Tennessee County Map



98

Attachment C.Need.3

2013 MAR 15 PM 1:20

Selected Population Estimates for Primary Service Area and State of Tennessee

QuickFacts	Davidson	Williamson	Svc. Area	TN
Pop. 2011	635,475	188,560	824,035	6,399,787
White % ('11)	66.2%	90.6%	71.8%	79.5%
Black % ('11)	27.9%	4.7%	22.6%	16.9%
Hispanic % ('11)	9.9%	4.6%	8.7%	4.7%
Foreign Born % ('11)	11.7%	6.1%	10.4%	4.4%
English 2 nd Language % ('11)	15.4%	7.9%	13.7%	6.2%
High School Graduates %	85.3%	94.5%	87.4%	82.5%
Bachelor's Degree %	34.4%	51.5%	38.3%	22.7%
Homeownership %	56.8%	82.2%	62.6%	69.6%
Per Capital Income	\$28,526	\$41,558	\$31,508	\$23,722
Med. Household Income	\$46,737	\$89,063	\$56,422	\$43,314
% Below Poverty	17.1%	5.5%	14.4%	16.5%
Pop/Square Mile ('10)	1,243.3	314.3	1030.7	153.9
TennCare Enrollees ('11)	120,707	8,588	129,295	1,208,878
*TennCare Enrollees/% Pop	19.0%	4.6%	15.7%	* 18.8%

Source: State and County QuickFacts, U.S. Bureau of Census. Data is for 2007 – 2011 & TN Bureau of TennCare Website unless otherwise noted. (Quickfacts Data is Attachment C.Need.4.A).

* 2012 TennCare Enrollees divided by 2011 Pop.

Svc. Area Med. Household Income - population based, since number of Households is unknown

U.S. Department of Commerce

Home Blog About Us Subjects A to Z FAQs Help

People Business Geography Data Research Newsroom Search

Go

State & County QuickFacts

Davidson County, Tennessee

People QuickFacts	Davidson County	Tennessee
Population, 2012 estimate	NA	6,456,243
Population, 2011 estimate	635,475	6,399,787
Population, 2010 (April 1) estimates base	626,681	6,346,113
Population, percent change, April 1, 2010 to July 1, 2012	NA	1.7%
Population, percent change, April 1, 2010 to July 1, 2011	1.4%	0.8%
Population, 2010	626,681	6,346,105
Persons under 5 years, percent, 2011	7.1%	6.3%
Persons under 18 years, percent, 2011	21.8%	23.3%
Persons 65 years and over, percent, 2011	10.5%	13.7%
Female persons, percent, 2011	51.6%	51.3%
White persons, percent, 2011 (a)	66.2%	79.5%
Black persons, percent, 2011 (a)	27.9%	16.9%
American Indian and Alaska Native persons, percent, 2011 (a)	0.5%	0.4%
Asian persons, percent, 2011 (a)	3.2%	1.5%
Native Hawaiian and Other Pacific Islander persons, percent, 2011 (a)	0.1%	0.1%
Persons reporting two or more races, percent, 2011	2.1%	1.6%
Persons of Hispanic or Latino Origin, percent, 2011 (b)	9.9%	4.7%
White persons not Hispanic, percent, 2011	57.5%	75.4%
Living in same house 1 year & over, percent, 2007-2011	79.3%	84.1%
Foreign born persons, percent, 2007-2011	11.7%	4.5%
Language other than English spoken at home, percent age 5+, 2007-2011	15.4%	6.4%
High school graduate or higher, percent of persons age 25+, 2007-2011	85.3%	83.2%
Bachelor's degree or higher, percent of persons age 25+, 2007-2011	34.4%	23.0%
Veterans, 2007-2011	40,017	501,665
Mean travel time to work (minutes), workers age 16+, 2007-2011	23.2	24.0
Housing units, 2011	285,020	2,829,025
Homeownership rate, 2007-2011	56.8%	69.0%
Housing units in multi-unit structures, percent, 2007-2011	37.1%	18.1%
Median value of owner-occupied housing units, 2007-2011	\$166,300	\$137,200
Households, 2007-2011	254,111	2,457,997
Persons per household, 2007-2011	2.35	2.50
Per capita money income in the past 12 months (2011 dollars), 2007-2011	\$28,526	\$24,197
Median household income, 2007-2011	\$46,737	\$43,989
Persons below poverty level, percent, 2007-2011	17.7%	16.9%
Business QuickFacts	Davidson County	Tennessee
Private nonfarm establishments, 2010	18,124	131,582 ¹
Private nonfarm employment, 2010	370,484	2,264,032 ¹
Private nonfarm employment, percent change, 2000-2010	-7.0	-5.3 ¹
Nonemployer establishments, 2010	54,350	465,545
Total number of firms, 2007	64,653	545,348
Black-owned firms, percent, 2007	11.1%	8.4%
American Indian- and Alaska Native-owned firms, percent, 2007	0.6%	0.5%
Asian-owned firms, percent, 2007	3.4%	2.0%
Native Hawaiian and Other Pacific Islander-owned firms, percent, 2007	0.1%	0.1%
Hispanic-owned firms, percent, 2007	2.9%	1.6%
Women-owned firms, percent, 2007	26.8%	25.9%

101

Manufacturers shipments, 2007 (\$1000)	7,347,204	140,447,760
Merchant wholesaler sales, 2007 (\$1000)	11,942,568	80,116,528
Retail sales, 2007 (\$1000)	10,581,843	77,547,291
Retail sales per capita, 2007	\$17,029	\$12,563
Accommodation and food services sales, 2007 (\$1000)	2,202,982	10,626,759
Building permits, 2011	1,966	14,977
Geography QuickFacts	Davidson County	Tennessee
Land area in square miles, 2010	504.03	41,234.90
Persons per square mile, 2010	1,243.3	153.9
FIPS Code	037	47
Metropolitan or Micropolitan Statistical Area	Nashville- Davidson-- Murfreesboro --Franklin, TN Metro Area	

1: Includes data not distributed by county.

(a) Includes persons reporting only one race.

(b) Hispanics may be of any race, so also are included in applicable race categories.

D: Suppressed to avoid disclosure of confidential information

F: Fewer than 100 firms

FN: Footnote on this item for this area in place of data

NA: Not available

S: Suppressed; does not meet publication standards

X: Not applicable

Z: Value greater than zero but less than half unit of measure shown

Source: U.S. Census Bureau: State and County QuickFacts. Data derived from Population Estimates, American Community Survey, Census of Population and Housing, State and County Housing Unit Estimates, County Business Patterns, Nonemployer Statistics, Economic Census, Survey of Business Owners, Building Permits, Consolidated Federal Funds Report.

Last Revised: Thursday, 10-Jan-2013 15:18:21 EST

People Business Geography Data Research

Newsroom

Search

Go

State & County QuickFacts

Williamson County, Tennessee

People QuickFacts	Williamson County	Tennessee
Population, 2012 estimate	NA	0,458,243
Population, 2011 estimate	188,560	6,399,787
Population, 2010 (April 1) estimates base	183,182	6,346,113
Population, percent change, April 1, 2010 to July 1, 2012	NA	1.7%
Population, percent change, April 1, 2010 to July 1, 2011	2.9%	0.8%
Population, 2010	183,182	6,346,105
Persons under 5 years, percent, 2011	6.4%	6.3%
Persons under 18 years, percent, 2011	28.8%	23.3%
Persons 65 years and over, percent, 2011	10.1%	13.7%
Female persons, percent, 2011	51.2%	51.3%
White persons, percent, 2011 (a)	90.6%	79.5%
Black persons, percent, 2011 (a)	4.7%	16.9%
American Indian and Alaska Native persons, percent, 2011 (a)	0.3%	0.4%
Asian persons, percent, 2011 (a)	3.1%	1.5%
Native Hawaiian and Other Pacific Islander persons, percent, 2011 (a)	0.1%	0.1%
Persons reporting two or more races, percent, 2011	1.3%	1.6%
Persons of Hispanic or Latino Origin, percent, 2011 (b)	4.6%	4.7%
White persons not Hispanic, percent, 2011	86.3%	75.4%
Living in same house 1 year & over, percent, 2007-2011	87.2%	84.1%
Foreign born persons, percent, 2007-2011	6.1%	4.5%
Language other than English spoken at home, percent age 5+, 2007-2011	7.9%	6.4%
High school graduate or higher, percent of persons age 25+, 2007-2011	94.5%	83.2%
Bachelor's degree or higher, percent of persons age 25+, 2007-2011	51.5%	23.0%
Veterans, 2007-2011	10,061	501,665
Mean travel time to work (minutes), workers age 16+, 2007-2011	26.9	24.0
Housing units, 2011	69,735	2,829,025
Homeownership rate, 2007-2011	82.2%	69.0%
Housing units in multi-unit structures, percent, 2007-2011	11.7%	18.1%
Median value of owner-occupied housing units, 2007-2011	\$336,900	\$137,200
Households, 2007-2011	64,011	2,457,997
Persons per household, 2007-2011	2.79	2.50
Per capita money income in the past 12 months (2011 dollars), 2007-2011	\$41,558	\$24,197
Median household income, 2007-2011	\$89,063	\$43,989
Persons below poverty level, percent, 2007-2011	5.5%	16.9%
Business QuickFacts	Williamson County	Tennessee
Private nonfarm establishments, 2010	6,065	131,582 ¹
Private nonfarm employment, 2010	90,432	2,264,032 ¹
Private nonfarm employment, percent change, 2000-2010	29.4	-5.3 ¹
Nonemployer establishments, 2010	20,808	465,545
Total number of firms, 2007	25,339	545,348
Black-owned firms, percent, 2007	2.2%	8.4%
American Indian- and Alaska Native-owned firms, percent, 2007	S	0.5%
Asian-owned firms, percent, 2007	1.4%	2.0%
Native Hawaiian and Other Pacific Islander-owned firms, percent, 2007	F	0.1%
Hispanic-owned firms, percent, 2007	1.4%	1.6%
Women-owned firms, percent, 2007	22.5%	25.9%

103

Manufacturers shipments, 2007 (\$1000)	1,106,825	140,447,760
Merchant wholesaler sales, 2007 (\$1000)	2,755,997	80,116,528
Retail sales, 2007 (\$1000)	3,306,994	77,547,291
Retail sales per capita, 2007	\$19,834	\$12,563
Accommodation and food services sales, 2007 (\$1000)	383,468	10,626,759
Building permits, 2011	1,061	14,977
Geography QuickFacts	Williamson	Tennessee
	County	
Land area in square miles, 2010	582.60	41,234.90
Persons per square mile, 2010	314.4	153.9
FIPS Code	187	47
Metropolitan or Micropolitan Statistical Area	Nashville- Davidson-- Murfreesboro --Franklin, TN Metro Area	

1: Includes data not distributed by county.

(a) Includes persons reporting only one race.

(b) Hispanics may be of any race, so also are included in applicable race categories.

D: Suppressed to avoid disclosure of confidential information

F: Fewer than 100 firms

FN: Footnote on this item for this area in place of data

NA: Not available

S: Suppressed; does not meet publication standards

X: Not applicable

Z: Value greater than zero but less than half unit of measure shown

Source U.S. Census Bureau: State and County QuickFacts. Data derived from Population Estimates, American Community Survey, Census of Population and Housing, State and County Housing Unit Estimates, County Business Patterns, Nonemployer Statistics, Economic Census, Survey of Business Owners, Building Permits, Consolidated Federal Funds Report

Last Revised: Thursday, 10-Jan-2013 15:18:45 EST

State & County QuickFacts

Kentucky

People QuickFacts	Kentucky	USA
Population, 2012 estimate	4,380,415	313,914,040
Population, 2011 estimate	4,366,814	311,587,816
Population, 2010 (April 1) estimates base	4,339,357	308,747,508
Population, percent change, April 1, 2010 to July 1, 2012	0.9%	1.7%
Population, percent change, April 1, 2010 to July 1, 2011	0.6%	0.9%
Population, 2010	4,339,367	308,745,538
Persons under 5 years, percent, 2011	6.4%	6.5%
Persons under 18 years, percent, 2011	23.4%	23.7%
Persons 65 years and over, percent, 2011	13.5%	13.3%
Female persons, percent, 2011	50.8%	50.8%
White persons, percent, 2011 (a)	88.9%	78.1%
Black persons, percent, 2011 (a)	8.0%	13.1%
American Indian and Alaska Native persons, percent, 2011 (a)	0.3%	1.2%
Asian persons, percent, 2011 (a)	1.2%	5.0%
Native Hawaiian and Other Pacific Islander persons, percent, 2011 (a)	0.1%	0.2%
Persons reporting two or more races, percent, 2011	1.6%	2.3%
Persons of Hispanic or Latino Origin, percent, 2011 (b)	3.2%	16.7%
White persons not Hispanic, percent, 2011	86.1%	63.4%
Living in same house 1 year & over, percent, 2007-2011	84.7%	84.6%
Foreign born persons, percent, 2007-2011	3.1%	12.8%
Language other than English spoken at home, percent age 5+, 2007-2011	4.7%	20.3%
High school graduate or higher, percent of persons age 25+, 2007-2011	81.7%	85.4%
Bachelor's degree or higher, percent of persons age 25+, 2007-2011	20.6%	28.2%
Veterans, 2007-2011	323,823	22,215,303
Mean travel time to work (minutes), workers age 16+, 2007-2011	22.6	25.4
Housing units, 2011	1,932,599	132,312,404
Homeownership rate, 2007-2011	69.5%	66.1%
Housing units in multi-unit structures, percent, 2007-2011	17.8%	25.9%
Median value of owner-occupied housing units, 2007-2011	\$118,700	\$186,200
Households, 2007-2011	1,681,085	114,761,359
Persons per household, 2007-2011	2.49	2.60
Per capita money income in the past 12 months (2011 dollars), 2007-2011	\$23,033	\$27,915
Median household income, 2007-2011	\$42,248	\$52,762
Persons below poverty level, percent, 2007-2011	18.1%	14.3%
Business QuickFacts	Kentucky	USA
Private nonfarm establishments, 2010	90,771 ¹	7,396,628
Private nonfarm employment, 2010	1,456,790 ¹	111,970,095
Private nonfarm employment, percent change, 2000-2010	-3.8 ¹	-1.8
Nonemployer establishments, 2010	272,455	22,110,628
Total number of firms, 2007	337,600	27,092,908
Black-owned firms, percent, 2007	3.1%	7.1%
American Indian- and Alaska Native-owned firms, percent, 2007	0.3%	0.9%
Asian-owned firms, percent, 2007	1.6%	5.7%
Native Hawaiian and Other Pacific Islander-owned firms, percent, 2007	0.0%	0.1%
Hispanic-owned firms, percent, 2007	1.1%	8.3%
Women-owned firms, percent, 2007	25.6%	28.8%

105

Manufacturers shipments, 2007 (\$1000)	119,105,421	5,338,306,501
Merchant wholesaler sales, 2007 (\$1000)	74,680,759	4,174,286,516
Retail sales, 2007 (\$1000)	50,405,925	3,917,663,456
Retail sales per capita, 2007	\$11,843	\$12,990
Accommodation and food services sales, 2007 (\$1000)	6,300,866	613,795,732
Building permits, 2011	7,782	624,061

Geography QuickFacts	Kentucky	USA
Land area in square miles, 2010	39,486.34	3,531,905.43
Persons per square mile, 2010	109.9	87.4
FIPS Code	21	

1: Includes data not distributed by county.

(a) Includes persons reporting only one race.

(b) Hispanics may be of any race, so also are included in applicable race categories.

D: Suppressed to avoid disclosure of confidential information

F: Fewer than 100 firms

FN: Footnote on this item for this area in place of data

NA: Not available

S: Suppressed; does not meet publication standards

X: Not applicable

Z: Value greater than zero but less than half unit of measure shown

Source U.S. Census Bureau: State and County QuickFacts. Data derived from Population Estimates, American Community Survey, ...
Census of Population and Housing, State and County Housing Unit Estimates, County Business Patterns, Nonemployer Statistics,
Economic Census, Survey of Business Owners, Building Permits, Consolidated Federal Funds Report
Last Revised: Thursday, 10-Jan-2013 15:06:22 EST

U.S. Department of Commerce

Home Blogs About Us Subjects A to Z FAQs Help

People Business Geography Data Research Newsroom

Search

State & County QuickFacts

Florida

2013 MAR 15 PM 1:20

People QuickFacts	Florida	USA
Population, 2012 estimate	19,317,568	313,914,040
Population, 2011 estimate	19,082,262	311,587,816
Population, 2010 (April 1) estimates base	18,802,690	308,747,508
Population, percent change, April 1, 2010 to July 1, 2012	2.7%	1.7%
Population, percent change, April 1, 2010 to July 1, 2011	1.5%	0.9%
Population, 2010	18,801,310	308,745,538
Persons under 5 years, percent, 2011	5.6%	6.5%
Persons under 18 years, percent, 2011	21.0%	23.7%
Persons 65 years and over, percent, 2011	17.6%	13.3%
Female persons, percent, 2011	51.1%	50.8%
White persons, percent, 2011 (a)	78.5%	78.1%
Black persons, percent, 2011 (a)	16.5%	13.1%
American Indian and Alaska Native persons, percent, 2011 (a)	0.5%	1.2%
Asian persons, percent, 2011 (a)	2.6%	5.0%
Native Hawaiian and Other Pacific Islander persons, percent, 2011 (a)	0.1%	0.2%
Persons reporting two or more races, percent, 2011	1.8%	2.3%
Persons of Hispanic or Latino Origin, percent, 2011 (b)	22.9%	16.7%
White persons not Hispanic, percent, 2011	57.5%	63.4%
Living in same house 1 year & over, percent, 2007-2011	83.5%	84.6%
Foreign born persons, percent, 2007-2011	19.2%	12.8%
Language other than English spoken at home, percent age 5+, 2007-2011	27.0%	20.3%
High school graduate or higher, percent of persons age 25+, 2007-2011	85.5%	85.4%
Bachelor's degree or higher, percent of persons age 25+, 2007-2011	26.0%	28.2%
Veterans, 2007-2011	1,637,466	22,215,303
Mean travel time to work (minutes), workers age 16+, 2007-2011	25.7	25.4
Housing units, 2011	9,026,965	132,312,404
Homeownership rate, 2007-2011	69.0%	66.1%
Housing units in multi-unit structures, percent, 2007-2011	29.9%	25.9%
Median value of owner-occupied housing units, 2007-2011	\$188,600	\$186,200
Households, 2007-2011	7,140,096	114,761,359
Persons per household, 2007-2011	2.56	2.60
Per capita money income in the past 12 months (2011 dollars), 2007-2011	\$26,733	\$27,915
Median household income, 2007-2011	\$47,827	\$52,762
Persons below poverty level, percent, 2007-2011	14.7%	14.3%
Business QuickFacts	Florida	USA
Private nonfarm establishments, 2010	491,150 ¹	7,396,628
Private nonfarm employment, 2010	6,626,558 ¹	111,970,095
Private nonfarm employment, percent change, 2000-2010	6.6 ¹	-1.8
Nonemployer establishments, 2010	1,686,142	22,110,628
Total number of firms, 2007	2,009,589	27,092,908
Black-owned firms, percent, 2007	9.0%	7.1%
American Indian- and Alaska Native-owned firms, percent, 2007	0.5%	0.9%
Asian-owned firms, percent, 2007	3.2%	5.7%
Native Hawaiian and Other Pacific Islander-owned firms, percent, 2007	0.1%	0.1%
Hispanic-owned firms, percent, 2007	22.4%	8.3%
Women-owned firms, percent, 2007	28.9%	28.8%

107

Manufacturers shipments, 2007 (\$1000)	104,832,907	5,338,306,501
Merchant wholesaler sales, 2007 (\$1000)	221,641,518	4,174,286,516
Retail sales, 2007 (\$1000)	262,341,127	3,917,663,456
Retail sales per capita, 2007	\$14,353	\$12,990
Accommodation and food services sales, 2007 (\$1000)	41,922,059	613,795,732
Building permits, 2011	42,360	624,061

Geography QuickFacts	Florida	USA
Land area in square miles, 2010	53,624.76	3,531,905.43
Persons per square mile, 2010	350.6	87.4
FIPS Code	12	

1: Includes data not distributed by county.

(a) Includes persons reporting only one race.

(b) Hispanics may be of any race, so also are included in applicable race categories.

D: Suppressed to avoid disclosure of confidential information

F: Fewer than 100 firms

FN: Footnote on this item for this area in place of data

NA: Not available

S: Suppressed; does not meet publication standards

X: Not applicable

Z: Value greater than zero but less than half unit of measure shown

Source U.S. Census Bureau: State and County QuickFacts. Data derived from Population Estimates, American Community Survey, Census of Population and Housing, State and County Housing Unit Estimates, County Business Patterns, Nonemployer Statistics, Economic Census, Survey of Business Owners, Building Permits, Consolidated Federal Funds Report

Last Revised: Thursday, 10-Jan-2013 15:06:22 EST

U.S. Department of Commerce

[Home](#)
[Blogs](#)
[About Us](#)
[Subjects A to Z](#)
[FAQs](#)
[Help](#)
[People](#)
[Business](#)
[Geography](#)
[Data](#)
[Research](#)
[Newsroom](#)

State & County QuickFacts

Alabama

People QuickFacts	Alabama	USA
Population, 2012 estimate	4,822,023	313,914,040
Population, 2011 estimate	4,803,689	311,587,816
Population, 2010 (April 1) estimates base	4,779,745	308,747,508
Population, percent change, April 1, 2010 to July 1, 2012	0.9%	1.7%
Population, percent change, April 1, 2010 to July 1, 2011	0.5%	0.9%
Population, 2010	4,779,736	308,745,538
Persons under 5 years, percent, 2011	6.3%	6.5%
Persons under 18 years, percent, 2011	23.5%	23.7%
Persons 65 years and over, percent, 2011	14.0%	13.3%
Female persons, percent, 2011	51.5%	50.8%
White persons, percent, 2011 (a)	70.1%	78.1%
Black persons, percent, 2011 (a)	26.5%	13.1%
American Indian and Alaska Native persons, percent, 2011 (a)	0.7%	1.2%
Asian persons, percent, 2011 (a)	1.2%	5.0%
Native Hawaiian and Other Pacific Islander persons, percent, 2011 (a)	0.1%	0.2%
Persons reporting two or more races, percent, 2011	1.4%	2.3%
Persons of Hispanic or Latino Origin, percent, 2011 (b)	4.0%	16.7%
White persons not Hispanic, percent, 2011	66.8%	63.4%
Living in same house 1 year & over, percent, 2007-2011	84.5%	84.6%
Foreign born persons, percent, 2007-2011	3.4%	12.8%
Language other than English spoken at home, percent age 5+, 2007-2011	5.0%	20.3%
High school graduate or higher, percent of persons age 25+, 2007-2011	81.9%	85.4%
Bachelor's degree or higher, percent of persons age 25+, 2007-2011	22.0%	28.2%
Veterans, 2007-2011	403,982	22,215,303
Mean travel time to work (minutes), workers age 16+, 2007-2011	24.0	25.4
Housing units, 2011	2,182,088	132,312,404
Homeownership rate, 2007-2011	70.7%	66.1%
Housing units in multi-unit structures, percent, 2007-2011	15.5%	25.9%
Median value of owner-occupied housing units, 2007-2011	\$120,800	\$186,200
Households, 2007-2011	1,831,269	114,761,359
Persons per household, 2007-2011	2.53	2.60
Per capita money income in the past 12 months (2011 dollars), 2007-2011	\$23,483	\$27,915
Median household income, 2007-2011	\$42,934	\$52,762
Persons below poverty level, percent, 2007-2011	17.6%	14.3%
Business QuickFacts	Alabama	USA
Private nonfarm establishments, 2010	99,251 ¹	7,396,628
Private nonfarm employment, 2010	1,568,111 ¹	111,970,095
Private nonfarm employment, percent change, 2000-2010	-5.1 ¹	-1.8
Nonemployer establishments, 2010	320,605	22,110,628
Total number of firms, 2007	382,350	27,092,908
Black-owned firms, percent, 2007	14.8%	7.1%
American Indian- and Alaska Native-owned firms, percent, 2007	0.8%	0.9%
Asian-owned firms, percent, 2007	1.8%	5.7%
Native Hawaiian and Other Pacific Islander-owned firms, percent, 2007	0.1%	0.1%
Hispanic-owned firms, percent, 2007	1.2%	8.3%
Women-owned firms, percent, 2007	28.1%	28.8%

Manufacturers shipments, 2007 (\$1000)	112,858,843	5,338,306,501
Merchant wholesaler sales, 2007 (\$1000)	52,252,752	4,174,286,516
Retail sales, 2007 (\$1000)	57,344,851	3,917,663,456
Retail sales per capita, 2007	\$12,364	\$12,990
Accommodation and food services sales, 2007 (\$1000)	6,426,342	613,795,732
Building permits, 2011	11,667	624,061

Geography QuickFacts	Alabama	USA
Land area in square miles, 2010	50,645.33	3,531,905.43
Persons per square mile, 2010	94.4	87.4
FIPS Code	01	

1: Includes data not distributed by county.

(a) Includes persons reporting only one race.

(b) Hispanics may be of any race, so also are included in applicable race categories.

D: Suppressed to avoid disclosure of confidential information

F: Fewer than 100 firms

FN: Footnote on this item for this area in place of data

NA: Not available

S: Suppressed; does not meet publication standards

X: Not applicable

Z: Value greater than zero but less than half unit of measure shown

Source: U.S. Census Bureau: State and County QuickFacts. Data derived from Population Estimates, American Community Survey, Census of Population and Housing, State and County Housing Unit Estimates, County Business Patterns, Nonemployer Statistics, Economic Census, Survey of Business Owners, Building Permits, Consolidated Federal Funds Report
Last Revised: Thursday, 10-Jan-2013 15:06:23 EST

Avg. Procedure charges**Service Area ASTC****Attachment C.Need.6.B.1****Plastic Surgery Only**

ASTC	Co.	Avg. Gross	Avg. Deduct.	Avg. Net
2011 DeLozier Surgery Center	Davidson	\$696	\$143	\$553
2010 DeLozier Surgery Center	Davidson	\$342	\$0	\$342
2009 DeLozier Surgery Center	Davidson	\$228	\$71	\$157

ASTC	Co.	Pts	ORs/RM	Occ. Rate
2011 DeLozier Surgery Center	Davidson	486	1	133.2%
2010 DeLozier Surgery Center	Davidson	426	4	29.2%
2009 DeLozier Surgery Center	Davidson	388	4	26.6%

Source: 2009, 2010 & 2011 JARs, Schedule F-Financial Data, D-Availability & Utilization

**Avg. Procedure Charges
Service Area ASTC's
Multi-Specialty, Including Plastic Surgery**

2011	Co.	Avg. Gross *	Avg. Deduct. *	Avg. Net *
Baptist Ambulatory Surgery Center	Davidson			
Baptist Plaza Surgicare	Davidson	\$3,944	\$2,964	\$979
Centennial Surgery Center	Davidson	\$5,627	\$4,542	\$1,086
Nashville Surgery Center	Davidson	\$2,929	\$1,662	\$1,267
Northridge Surgery Center	Davidson	\$1,468	\$1,078	\$390
St. Thomas Campus Surgicare	Davidson	\$2,066	\$1,601	\$465
Summit Surgery Center	Davidson	\$4,760	\$3,948	\$812
Cool Springs Surgery Center	Williamson	\$4,884	\$3,669	\$1,216
Williamson Surgery Center	Williamson	\$2,757	\$2,091	\$666
Total		\$3,554	\$2,694	\$860

* No JAR

Source: 2011 JAR, Schedule D - Availability and Utilization of Service & F - Financial Data

Note: Above totals are for all procedures, not just plastic procedures
"Total" is the Average of all ASTC's

2013 MAR 15 PM 1:20

**Avg. Procedure Charges
Service Area ASTC's
Multi-Specialty, Including Plastic Surgery**

2010	Co.	Avg. Gross	Avg. Deduct.	Avg. Net
Baptist Ambulatory Surgery Center	Davidson	\$4,695	\$3,518	\$1,176
Baptist Plaza Surgicare	Davidson	\$3,625	\$2,697	\$927
Centennial Surgery Center	Davidson	\$5,063	\$4,044	\$1,019
Nashville Surgery Center	Davidson	\$3,001	\$1,773	\$1,227
Northridge Surgery Center	Davidson	\$2,863	\$2,151	\$712
St. Thomas Campus Surgicare	Davidson	\$2,766	\$2,119	\$647
Summit Surgery Center	Davidson	\$3,947	\$3,217	\$730
Cool Springs Surgery Center	Williamson	\$3,671	\$2,667	\$1,004
Williamson Surgery Center	Williamson	\$3,843	\$2,850	\$993
Total		\$3,719	\$2,782	\$937

* No JAR

Source: 2010 JAR, Schedule D - Availability and Utilization of Service & F - Financial Data

Note: Above totals are for all procedures, not just plastic procedures
"Total" is the Average of all ASTC's

**Avg. Procedure Charges
Service Area ASTC's
Multi-Specialty, Including Plastic Surgery**

2009	Co.	Avg. Gross	Avg. Deduct.	Avg. Net
Baptist Ambulatory Surgery Center	Davidson	\$3,658	\$2,772	\$885
Baptist Plaza Surgicare	Davidson	\$3,510	\$2,622	\$889
Centennial Surgery Center	Davidson	\$4,517	\$3,559	\$958
Nashville Surgery Center	Davidson	\$783	\$460	\$324
Northridge Surgery Center	Davidson	\$2,425	\$1,857	\$568
St. Thomas Campus Surgicare	Davidson	\$2,786	\$2,134	\$653
Summit Surgery Center	Davidson	\$4,029	\$3,266	\$764
Cool Springs Surgery Center	Williamson	\$3,240	\$2,319	\$921
Williamson Surgery Center	Williamson	\$3,058	\$2,342	\$716
Total		\$3,112	\$2,370	\$742

Source: 2009 JAR, Schedule D - Availability and Utilization of Service & F - Financial Data

Note: Above totals are for all procedures, not just plastic procedures

"Total" is the Average of all ASTC's

TENNESSEE OCCUPATIONAL WAGES



Total all industries

Nashville-Davidson--Murfreesboro, TN MSA, Tennessee

Healthcare Practitioners and Technical Occupations

Occupation	Occ. code	Est. empl.	Mean wage	Entry wage	Exp. wage	25th pct	Median wage	75th pct
HEALTHCARE PRACTITIONERS AND TECHNICAL OCCUPATIONS	29-0000	N/A	N/A	N/A	N/A	N/A	N/A	N/A
			N/A	N/A	N/A	N/A	N/A	N/A
Chiropractors	29-1011	N/A	94,950	54,690	115,090	57,610	104,920	115,500
			45.65	26.30	55.35	27.70	50.45	55.55
Dentists, General	29-1021	N/A	147,050	87,070	177,040	95,650	131,140	166,080
			70.70	41.85	85.10	46.00	63.05	79.85
Dietitians and Nutritionists	29-1031	270	47,810	32,350	55,540	38,040	46,150	59,320
			23.00	15.55	26.70	18.30	22.20	28.50
Optometrists	29-1041	N/A	113,180	84,320	127,620	99,330	123,270	136,430
			54.40	40.55	61.35	47.75	59.25	65.60
Pharmacists	29-1051	1,600	115,790	87,920	129,720	101,650	114,290	130,650
			55.65	42.25	62.35	48.85	54.95	62.80
Family and General Practitioners	29-1062	N/A	199,290	120,290	238,790	132,700	>\$145,600	>\$145,600
			95.80	57.85	114.80	63.80	>\$70	>\$70
Internists, General	29-1063	50	170,570	104,620	203,550	121,710	144,300	>\$145,600
			82.00	50.30	97.85	58.50	69.35	>\$70
Obstetricians and Gynecologists	29-1064	100	209,600	144,220	242,290	160,240	>\$145,600	>\$145,600
			100.75	69.35	116.50	77.05	>\$70	>\$70
Pediatricians, General	29-1065	160	164,340	93,000	200,010	106,070	148,640	>\$145,600
			79.00	44.70	96.15	51.00	71.45	>\$70
Psychiatrists	29-1066	60	184,820	120,740	216,860	149,160	173,510	>\$145,600
			88.85	58.05	104.25	71.70	83.40	>\$70
Surgeons	29-1067	100	N/A	N/A	N/A	N/A	N/A	N/A
			N/A	N/A	N/A	N/A	N/A	N/A
Physicians and Surgeons, All Other	29-1069	1,340	232,230	178,030	>\$145,600	>\$145,600	>\$145,600	>\$145,600
			111.65	85.60	>\$70	>\$70	>\$70	>\$70
Physician Assistants	29-1071	520	93,760	71,020	105,130	77,290	96,210	111,460
			45.10	34.15	50.55	37.15	46.25	53.60
Podiatrists	29-1081	20	112,510	66,580	135,470	66,170	72,540	147,850
			54.10	32.00	65.15	31.80	34.85	71.10
Registered Nurses	29-1111	14,000	64,460	44,830	74,280	49,170	60,060	72,320
			31.00	21.55	35.70	23.65	28.90	34.75
Occupational Therapists	29-1122	650	71,540	61,980	76,310	64,590	70,930	77,290
			34.40	29.80	36.70	31.05	34.10	37.15
Physical Therapists	29-1123	1,410	73,040	54,610	82,250	61,530	75,730	86,910
			35.10	26.25	39.55	29.60	36.40	41.80
Radiation Therapists	29-1124	40	68,380	50,460	77,340	55,390	66,310	78,700
			32.90	24.25	37.20	26.65	31.90	37.85

115

Recreational Therapists	29-1125	150	37,780	27,210	43,070	30,560	35,620	42,390
			18.15	13.10	20.70	14.70	17.10	20.40
Respiratory Therapists	29-1126	610	49,180	38,490	54,520	41,580	50,180	56,990
			23.65	18.50	26.20	20.00	24.15	27.40
Speech-Language Pathologists	29-1127	540	52,980	38,200	60,370	41,150	51,020	60,700
			25.45	18.35	29.00	19.80	24.55	29.20
Exercise Physiologists	29-1128	N/A	49,020	34,100	56,470	36,110	44,220	58,890
			23.55	16.40	27.15	17.35	21.25	28.30
Veterinarians	29-1131	290	107,500	62,510	130,000	69,760	82,010	93,340
			51.70	30.05	62.50	33.55	39.45	44.85
Audiologists	29-1181	N/A	56,400	50,700	59,250	51,010	55,230	59,460
			27.10	24.40	28.50	24.50	26.55	28.60
Health Diagnosing and Treating Practitioners, All Other	29-1199	60	78,010	51,150	91,430	52,990	58,520	80,210
			37.50	24.60	43.95	25.50	28.15	38.55
Medical and Clinical Laboratory Technicians	29-2012	1,920	33,850	24,530	38,500	26,820	32,160	40,020
			16.25	11.80	18.50	12.90	15.45	19.25
Dental Hygienists	29-2021	990	64,760	55,340	69,470	62,320	67,470	72,630
			31.15	26.60	33.40	29.95	32.45	34.90
Diagnostic Medical Sonographers	29-2032	150	63,660	50,950	70,020	54,200	63,690	72,670
			30.60	24.50	33.65	26.05	30.60	34.95
Nuclear Medicine Technologists	29-2033	70	62,500	50,950	68,270	54,510	63,750	70,960
			30.05	24.50	32.80	26.20	30.65	34.10



Entry and Experienced wages represent the mean of the lower third and the mean of the upper two-thirds of the wage distribution respectively. The OES survey does not collect information for entry or experienced workers. Tennessee Department of Labor & Workforce Development, Employment Security Division, Labor Market Information. Publish date May 2012.

TENNESSEE OCCUPATIONAL WAGES



Total all industries

Nashville-Davidson--Murfreesboro, TN MSA, Tennessee

Healthcare Support Occupations

Occupation	Occ. code	Est. empl.	Mean wage	Entry wage	Exp. wage	25th pct	Median wage	75th pct
HEALTHCARE SUPPORT OCCUPATIONS	31-0000	N/A	N/A	N/A	N/A	N/A	N/A	N/A
			N/A	N/A	N/A	N/A	N/A	N/A
Home Health Aides	31-1011	4,190	19,550 9.40	16,770 8.05	20,950 10.05	17,300 8.30	19,380 9.30	22,080 10.60
Nursing Aides, Orderlies, and Attendants	31-1012	5,780	23,830 11.45	19,270 9.25	26,100 12.55	20,380 9.80	22,840 11.00	26,820 12.90
Psychiatric Aides	31-1013	630	22,720 10.90	18,100 8.70	25,040 12.05	19,330 9.30	22,270 10.70	25,780 12.40
Occupational Therapist Assistants	31-2011	N/A	50,700 24.35	41,090 19.75	55,500 26.70	42,350 20.35	47,490 22.85	59,870 28.80
Physical Therapist Assistants	31-2021	590	48,480 23.30	34,690 16.70	55,370 26.60	41,600 20.00	49,070 23.60	58,000 27.90
Physical Therapist Aides	31-2022	N/A	23,590 11.35	18,190 8.75	26,280 12.65	19,690 9.45	22,700 10.90	27,370 13.15
Massage Therapists	31-9011	250	38,120 18.35	28,670 13.80	42,850 20.60	31,010 14.90	34,760 16.70	41,750 20.05
Dental Assistants	31-9091	1,580	36,650 17.60	29,360 14.10	40,300 19.35	31,780 15.30	36,420 17.50	42,160 20.25
Medical Assistants	31-9092	3,090	30,650 14.75	24,260 11.65	33,840 16.25	25,820 12.40	29,640 14.25	35,310 17.00
Medical Equipment Preparers	31-9093	60	31,030 14.90	25,350 12.20	33,860 16.30	26,460 12.70	30,660 14.75	35,230 16.95
Medical Transcriptionists	31-9094	630	41,380 19.90	28,710 13.80	47,710 22.95	31,110 14.95	35,070 16.85	40,730 19.60
Pharmacy Aides	31-9095	290	18,500 8.90	16,650 8.00	19,420 9.35	16,750 8.05	18,280 8.80	20,640 9.95
Veterinary Assistants and Laboratory Animal Caretakers	31-9096	510	22,070 10.60	17,060 8.20	24,570 11.80	18,200 8.75	21,240 10.20	24,410 11.75
Healthcare Support Workers, All Other*	31-9799	1,070	31,200 15.00	23,340 11.20	35,140 16.90	24,980 12.00	30,410 14.60	36,380 17.50



Entry and Experienced wages represent the mean of the lower third and the mean of the upper two-thirds of the wage distribution respectively. The OES survey does not collect information for entry or experienced workers. Tennessee Department of Labor & Workforce Development, Employment Security Division, Labor Market Information. Publish date May 2012.

SQUARE FOOTAGE AND COST PER SQUARE FOOTAGE CHART

[illegible]

(Note: Do not fill in shaded areas)

COPY- SUPPLEMENTAL-1

Maxwell Aesthetics, PLLC

CN1303-009

AFFIDAVIT

2013 MAR 26 AM 11:38

STATE OF TENNESSEE

COUNTY OF DAVIDSON

NAME OF FACILITY: Maxwell Aesthetics, PLLC (CN1303-009)

I, E. Graham Baker, Jr., after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete to the best of my knowledge, information and belief.

E. Graham Baker, Jr. Attorney at Law
Signature/Title

Sworn to and subscribed before me, a Notary Public, this 26th day of March, 2013; witness my hand at office in the County of Davidson, State of Tennessee.

Nadeau E. P. Black
NOTARY PUBLIC
My Commission expires May 6, 2013



1. Section A, Applicant Profile, Item 4

Your response to this item is noted. Please provide the certificate of corporate existence from the Tennessee Secretary of State.

Response: The last page of *Attachment A.4* was a time-stamped acceptance by the Tennessee Secretary of State showing the legal name change. A Certificate of Existence is also attached as *Supplemental A.4*.

2. Section A, Applicant Profile, Item 5

It has been stated that the facility has no outside management; however a letter is included documenting available of funds for the project from Dr. Maxwell's business and financial manager. Please explain.

Response: Dr. Maxwell employs Flood, Bumstead, McCready & McCarthy, Inc. ("FBMM") to handle his personal business and accounting matters. FBMM does not handle, is not a manager of, and has nothing to do with Dr. Maxwell's medical practice. Therefore, there is no outside management of the facility, as is normally contemplated by this question.

3. Section B, Item II. (Project Description)

Please provide some examples of procedures that are performed in office based surgery and some examples of procedures that cannot be performed in an office based surgery but the applicant expects to perform in the ASTC. What are the factors in determining what procedures can be performed in office based setting and the factors that require procedures to be only performed in an ASTC?

Response: Currently, Maxwell Aesthetics OR is a level III office based surgery suite. Most of the procedures we plan to provide in our ASTC can already be provided in our current facility. The main difference between the cases that cannot be performed in the surgery suite but we expect to perform in the ASTC are insurance cases. These cases include: Breast Reduction, Breast Revision, Breast Reconstruction, Fat Grafting and Rhinoplasty (due to injury). As it currently stands, many such procedures are not reimbursed by insurance when provided in an office based surgery suite. These same procedures are reimbursed if provided in an ASTC. Therefore, our patients are not afforded reimbursement unless we go to a licensed ASTC for the procedure.

This can be confusing to patients. For example, there are three stages of breast reconstruction surgery. Some of these stages, due to insurance restrictions, can be performed in our office, and other stages have to be scheduled elsewhere. This "moving about" of the patient does not lend itself to continuity of care, and is confusing to the patient. The patient has to go different places for different procedures, seeing different staff at each location, etc.

The approval of this ASTC will provide a more seamless procedure for the patient.

Does the applicant expect other surgeons besides Drs. Maxwell and O'Shaughnessy to utilize the ASTC?

Response: Not in the foreseeable future.

Does the PLLC currently have a contractual relationship with an anesthesiologist and/or CRNA? If yes, will the applicant maintain this relationship for the ASTC? Does the anesthesiologist contract with all three TennCare MCOs in the service area? If not, what are the applicant's plans for anesthesiology coverage?

Response: The PLLC currently has a contractual agreement with a CRNA. The PLLC plans to maintain this relationship for the ASTC. The CRNA is not currently contracted with any TennCare MCOs, but we plan to credential him upon approval of ASTC licensure.

Please identify which area hospitals that Drs. Maxwell and O'Shaughnessy have admitting privileges.

Response: Both Drs. Maxwell and O'Shaughnessy have admitting privileges at Baptist Hospital and Centennial Medical Center.

Does the applicant expect that Drs. Maxwell and O'Shaughnessy will continue to perform 30-35 inpatient procedures annually?

Response: Yes, and all will be at either Baptist Hospital or Centennial Medical Center unless otherwise requested by the patients.

What is the square footage of the operating room and how does that compare to minimum square footage standards for licensure and AIA guidelines?

Response: Please see *Supplemental B.IV* (entitled "After Renovation"). This page replaces the first page of *Attachment B.IV*. It is proposed that the OR will contain 400 GSF, which complies with licensure and AIA guidelines, according to our architect.

4. Section C, Need Item 4.A.

Please complete the following chart:

Variable	Davidson	Williamson	Service Area	Tennessee
Current Year (CY), Target Age/Sex Group	221,992	58,988	280,980	2,068,347
Projected Year (PY), Target Age/Sex Group	227,764	63,825	292,220	2,140,740
Target Age/Sex Group, % Change	2.6%	8.2%	4.0%	3.5%
Target Age/Sex Group, % Total (PY)	34.9%	31.3%	34.1%	32.3%
CY, Total Population (2011)	635,475	188,560	824,035	6,399,787
PY, Total Population (2015)	651,998	204,022	859,997	6,623,780
Total Pop. % Change	2.6%	8.2%	4.0%	3.5%
TennCare Enrollees (2011)	120,707	8,588	129,295	1,208,878
TennCare Enrollees as a % of Total Population	19.0%	4.6%	15.7%	18.8%
Median Age	33.9	38.5	n/a	38.0
Median Household Income	\$46,737	\$89,063	\$56,422	\$43,314
Population % Below Poverty Level	17.1%	5.5%	14.4%	16.55

Source: State and County QuickFacts, U.S. Bureau of Census. Data is for 2007 – 2011 & TN Bureau of TennCare Website unless otherwise noted

Notes: (1) Assumption is made that females, aged 19 to 64 would constitute the largest percentage of our "Target Age/Sex Group"

(2) Current Year (CY) is latest year available under State and County QuickFacts, or 2011

(3) Projected Year (PY) is statistical increase for years 2011 to 2015, based on population statistics issued by Tennessee Department of Health, Office of Policy, Planning and Assessment, Division of Health Statistics, Population Projections, Tennessee Counties and the State, 2010 – 2020 and applied to State and County QuickFacts latest data available

(4) TennCare Enrollees = 2012 Total TennCare Enrollees divided by 2011 Total Population (no data for "Target Age/Sex Group" as TennCare Enrollees not provided by age groupings)

(5) TennCare Enrollees as a % of Total Population = total enrollees and total population (no data for "Target Age/Sex Group" as TennCare Enrollees not provided by age groupings)

(6) Median Age = total population (no data for "Target Age/Sex Group") ...Source is Tennessee-Demographics.com

(7) Median Household Income = total population based, since number of households is unknown (no data for "Target Age/Sex Group")

(8) Median Age = total population (no data for "Target Age/Sex Group")

(9) Population % Below Poverty Level = total population (no data for "Target Age/Sex Group")

Response: The above chart is completed. Most of the above data was taken from *Attachment C.Need.4.A*, already included in the application. Some of the data is not available and had to be estimated. Please observe the "Notes" below the source.

5. Section C, Need Item 4.B.

Your response to this item is noted. - Since the target group appears to be individuals with commercial insurance that covers plastic surgery and individuals who can afford to pay for procedures out-of-pocket, please discuss how the proposed project will serve the special needs of the service area population, including health disparities, the accessibility to consumers, particularly the elderly, women, racial and ethnic minorities, and low income groups.

Response: As stated on Page 9 of the application:

“Dr. Kristina O’Shaughnessy, an associate of the Owner, has TennCare contracts with AmeriGroup, AmeriChoice (UHC), and BCBS of Tennessee. Additionally, Dr. O’Shaughnessy has contracts with Aetna, Bluegrass Family Health, Center Care, Choice Care (Humana), Cigna Healthcare of TN, Corvel Corporation, Coventry/First Health, Great West Life, and Healthpayor’s Organization/IHG.

“Finally, Dr. Maxwell takes TennCare patients out of network.”

Further, as stated on page 23 of the application:

“Plastic surgery is mostly an elective, private pay procedure. This is exemplified by the fact that the only other ASTC in Nashville that is limited to plastic surgery has had no Medicare and no Medicaid patients in the last 3 years (Source: Joint Annual Reports). Even so, Dr. Maxwell accepts TennCare patients out of network, and Dr. Kristina O’Shaughnessy, an associate of Dr. Maxwell, has TennCare contracts with AmeriGroup, AmeriChoice (UHC), and BCBS of Tennessee.”

The combination of these statements indicate that TennCare patients will be seen, clearly addressing the delivery of health care to low income patients. Further, the application showed that provisions were made for charity care (Page 35), also addressing the needs of low income patients. It is noteworthy that the only ASTC in Nashville that is limited to plastic surgery, only, had no Medicare patients and no TennCare patients in 2009, 2010, or 2011.

Women account for the largest percentage of patients that we have, and project to have. The terrible disease of breast cancer obviously impacts women from a medical standpoint. It also impacts women from a psychological and emotional standpoint. Such patients need excellent medical care, but they also need anonymity, nurturing, and support. The types of reconstruction surgeries performed by the Applicant should be more available through governmental and insurance policies. Until they are, most of the procedures will be paid for as stated in the application.

6. Section C, Need Item 5

Please complete the following tables:

Facility/Specialty	Plastic Surgery	Other	Facility Total
Delozier Surgery Center			
2009 Patients	388	0	388
2010 Patients	426	0	426
2011 Patients	486	0	486
'09-'11 % Change	25.30%	0%	25.30%
% Facility Total (2011)	100.0%	0.0%	100.0%
% of GfG* (2011)			60.8%
Baptist Ambulatory Surgery Center			
2009 Patients	3	7,677	7,680
2010 Patients	1	7,471	7,472
2011 Patients	*	*	*
'09-'10 % Change	(66.70%)	(2.70%)	(2.70%)
% Facility Total (2010)	0.01%	99.99%	100.00%
% of GfG* (2010)			133.4%
Baptist Plaza Surgicare			
2009 Patients	916	9,006	9,922
2010 Patients	910	8,517	9,427
2011 Patients	912	8,259	9,171
'09-'11 % Change	(0.40%)	(8.30%)	(7.60%)
% Facility Total (2011)	9.9%	90.1%	100.0%
% of GfG* (2011)			114.6%
Centennial Surgery Center			
2009 Patients	140	3,493	3,633
2010 Patients	355	6,862	7,217
2011 Patients	344	7,061	7,405
'09-'11 % Change	145.70%	102.10%	103.80%
% Facility Total (2011)	4.6%	95.4%	100.0%
% of GfG* (2011)			115.7%
Nashville Surgery Center			
2009 Patients	321	3,105	3,426

2010 Patients	313	3,828	4,141
2011 Patients	338	3,817	4,155
'09-'11 % Change	5.30%	22.90%	21.30%
% Facility Total (2011)	8.1%	91.9%	100.0%
% of GfG* (2011)			86.6%
Northridge Surgery Center			
2009 Patients	38	3,751	3,789
2010 Patients	46	3,627	3,673
2011 Patients	35	3,166	3,201
'09-'11 % Change	(7.90%)	(15.60%)	(15.50%)
% Facility Total (2011)	1.1%	98.9%	100.0%
% of GfG* (2011)			66.7%
St. Thomas Campus Surgicare			
2009 Patients	309	7,719	8,028
2010 Patients	337	6,498	6,835
2011 Patients	326	7,313	7,639
'09-'11 % Change	5.50%	(5.30%)	(4.80%)
% Facility Total (2011)	4.3%	95.7%	100.0%
% of GfG* (2011)			136.4%
Summit Surgery Center			
2009 Patients	114	7,165	7,279
2010 Patients	105	6,768	6,873
2011 Patients	89	6,416	6,505
'09-'11 % Change	(21.90%)	(10.50%)	(10.60%)
% Facility Total (2011)	1.4%	98.6%	100.0%
% of GfG* (2011)			135.5%
Cool Springs Surgery Center			
2009 Patients	178	6,573	6,751
2010 Patients	161	6,629	6,790
2011 Patients	136	6,365	6,501
'09-'11 % Change	(23.60%)	(3.20%)	(3.70%)
% Facility Total (2011)	2.1%	97.9%	100.0%
% of GfG* (2011)			135.4%
Williamson Surgery Center			
2009 Patients	222	3,458	3,680

2010 Patients	184	3,347	3,531
2011 Patients	144	3,266	3,410
'09-'11 % Change	(35.10%)	(5.60%)	(7.30%)
% Facility Total (2011)	4.2%	95.8%	100.0%
% of GfG* (2011)			85.3%

**Calculated as follows: (Cases / (800 X # of Operating and Procedure Rooms)) X 100%.
GfG stands for Guidelines for Growth utilization standard of 800 cases per operating/procedure room*

Hospital	2009 Outpatient Encounters	2010 Outpatient Encounters	2011 Outpatient Encounters	'09-'11 % Change
Baptist	8,054	8,291	7,601	- 5.6%
Nashville General	1,780	2,438	2,716	52.6%
Centennial	11,571	3,858	10,817	- 6.5%
Saint Thomas	2,885	3,064	3,580	24.1%
Skyline	3,081	2,906	2,769	- 10.1%
Skyline Madison	0	0	0	0.0%
Southern Hills	2,662	2,344	2,275	- 14.5%
Summit	3,797	3,515	2,932	- 22.8%
Vanderbilt	18,597	23,674	25,631	37.8%
Williamson	3,527	3,813	4,028	14.2%
TOTAL	55,954	53,903	62,349	11.4%

Response: The requested charts are completed. Please note that the second chart tracks total outpatient encounters (as requested) – NOT plastic surgery encounters. Unlike ASTC JARs, Hospital JARs do not break out the types of surgical procedures. Therefore, there is no way to calculate percent change for plastic procedures between or among years.

7. Section C. Economic Feasibility Item 4 (Projected Data Chart)

Please explain what the Other Operating Revenue for Implants and Alloderm represent.

Response: For purposes of this question, the term “Implants” refers to breast implants. According to U.S. Food and Drug Administration:

“Breast implants are medical devices that are implanted under the breast tissue or under the chest muscle to increase breast size (augmentation) or to rebuild breast tissue after mastectomy or other damage to the breast (reconstruction). They are also used in revision surgeries, which correct or improve the result of an original surgery.

“There are two types of breast implants approved for sale in the United States: saline-filled and silicone gel-filled. Both types have a silicone outer shell. They vary in size, shell thickness, and shape (contour).”

The implants that are utilized for such patients are charged to each respective patient. Such charges results in “Other” revenue, and was listed as such.

Alloderm is a manufactured substance used in plastic surgery procedures to enhance normal skin growth and to minimize scarring. According to Reference.MD, Alloderm is defined as:

“A polypeptide substance comprising about one-third of the total protein in mammalian organisms. It is the main constituent of skin, connective tissue and the organic substance of bones and teeth.”

The use of this product represents an additional charge to the patient, and was included in “Other” revenue.

8. Section C. Economic Feasibility Item 6.B

It appears that the average gross charge, average deduction, and average net charge data provided for other ASTCs in the service area have been calculated on a per procedure basis. Please provide this data on a per patient basis and compare to the applicant's projections on a per patient basis as well.

Response: Please see *Supplementals C.Need.6.B.1* and *C.Need.6.B.2*.

9. Section C. Contribution to Orderly Development Item 1.

Please provide a copy of the transfer agreement with Baptist Hospital.

Response: Please see *Supplemental C.OD.1.*

10. Proof of Publication

Your response to this item is noted. Please attach the full page of the newspaper in which the notice of intent appeared with the mast and deadline intact or submit a publication affidavit from the newspaper as proof of the publication of the letter of intent.

Response: See attached Affidavit from the newspaper.

ADDITIONAL COMMENTS:

Plastic surgery is a specialized type of procedure, and we do not anticipate performing 800 cases per year, if a case is defined as one patient encounter. We anticipate providing services for 379 and 427 patients for Years 1 and 2, respectively. As more procedures (now performed in an inpatient setting) are approved and safe for outpatient surgery, this number may increase. At present, it is all but impossible to anticipate the exact year or time frame when 800 patients will be seen per year. Conservatively, that level of utilization may take several years, if at all.

It is also important to note that the average time for the procedures we provide is about three hours. This means that, at best, only two procedures per day can be provided. Even if our ASTC operates all day long, five days per week, the highest number of cases we could expect is about 500 per year (2 per day x 5 days per week x 50 weeks per year = 500). Therefore, due to the highly specialized type of procedures we provide and plan to provide, our ASTC will probably never achieve the number of cases per year as outlined in the Guidelines for Growth.

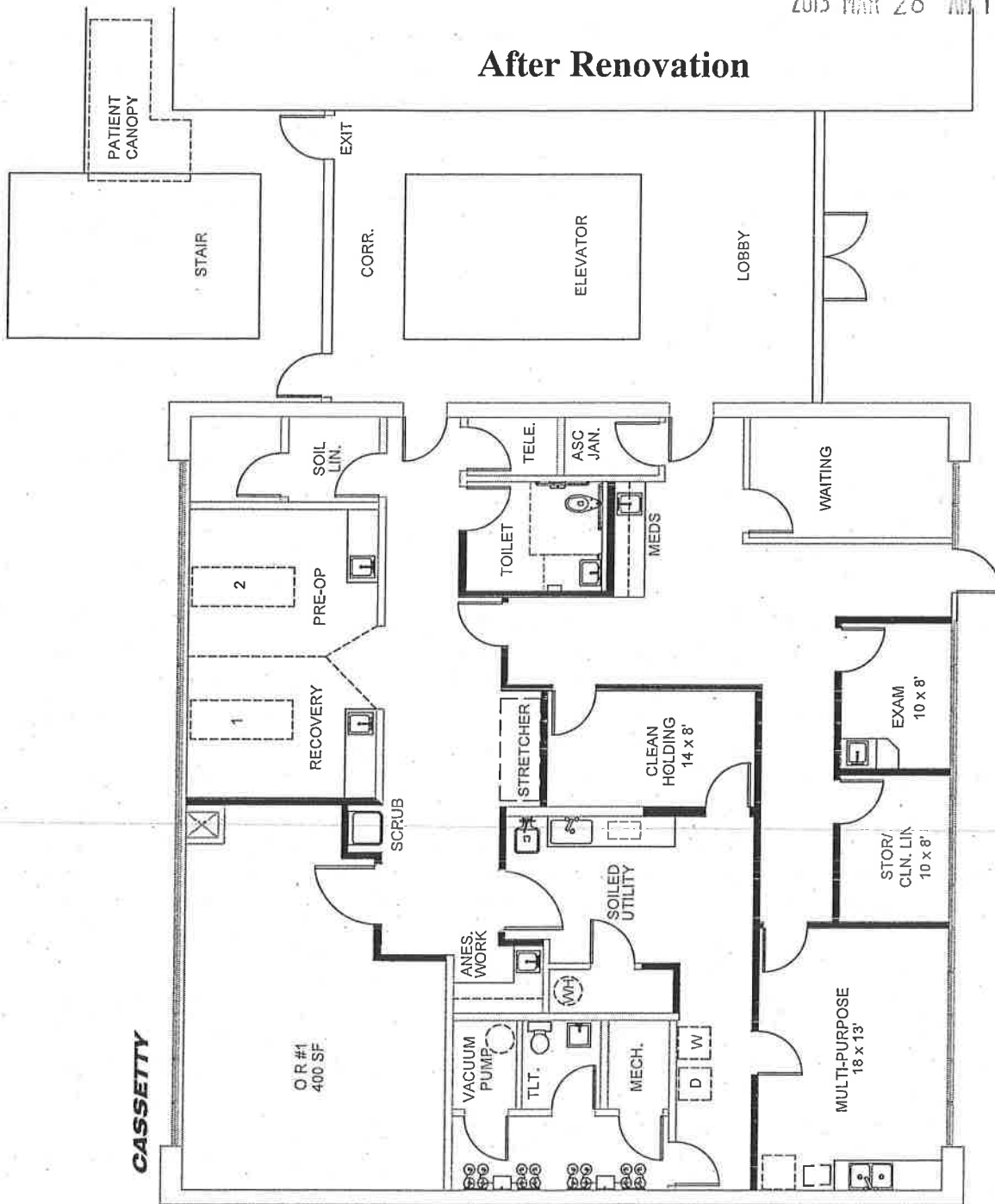
Finally, it is important to state that most of the cases historically seen by the surgeons of the Applicant are seen in an existing office based surgery suite. Therefore, these patients will have a safer environment for their procedures, irrespective of how many cases are seen. Also, these patients are not patients of existing ASTCs at present.

That said, the Applicant will have the ability to perform 800 operations and/or procedures per year. During Year 2, we anticipate performing services to 427 patients. On average, each patient has a little over 2 procedures each. This results in our ability to perform in excess of 854 procedures per year.

The above statements have resulted in a change to attached page 28 of the CON application, and a new *Supplemental Specific Criteria* is attached.

2013 MAR 26 AM 11:38

After Renovation



CASSETTY

MAXWELL AESTHETICS

2020 21 ST AVE. S
Nashville, TN 37212

Scheme 2

Proj. No. 0513 03-25-13



CASSETTY
ARCHITECTURE

CASSETTY ARCHITECTURE, P.C.
1000 WEST MAIN STREET
NASHVILLE, TN 37203
TEL: (615) 825-5711
FAX: (615) 825-5699

Avg. Patient charges
Service Area ASTC
Plastic Surgery Only

Supplemental C Need 6.B.1
SUPPLEMENTAL- # 1
March 26, 2013
11:30am

ASTC	Co.	# of Pts	Avg. Gross	Avg. Deduct.	Avg. Net
2011 DeLozier Surgery Center	Davidson	486	\$1,421	\$293	\$1,128
2010 DeLozier Surgery Center	Davidson	426	\$1,621	\$334	\$1,287
2009 DeLozier Surgery Center	Davidson	388	\$1,780	\$367	\$1,413

ASTC	Co.	Pts	ORs/RM	Occ. Rate
2011 DeLozier Surgery Center	Davidson	486	1	133.2%
2010 DeLozier Surgery Center	Davidson	426	4	29.2%
2009 DeLozier Surgery Center	Davidson	388	4	26.6%

Source: 2009, 2010 & 2011 JARs, Schedule F-Financial Data, D - Availability & Utilization

**Avg. Patient Charges
Service Area ASTC's
Multi-Specialty, Including Plastic Surgery**

2011	Co.	# of Pts.	Avg. Gross	Avg. Deduct.	Avg. Net
Baptist Ambulatory Surgery Center	Davidson	*	*	*	*
Baptist Plaza Surgicare	Davidson	9,171	\$9,304	\$6,993	\$2,310
Centennial Surgery Center	Davidson	7,405	\$11,522	\$8,661	\$2,861
Nashville Surgery Center	Davidson	4,155	\$20,535	\$15,436	\$5,099
Northridge Surgery Center	Davidson	3,201	\$26,655	\$20,036	\$6,619
St. Thomas Campus Surgicare	Davidson	7,639	\$11,169	\$8,396	\$2,773
Summit Surgery Center	Davidson	6,505	\$13,117	\$9,860	\$3,257
Cool Springs Surgery Center	Williamson	6,501	\$13,125	\$9,866	\$3,259
Williamson Surgery Center	Williamson	3,410	\$25,021	\$18,808	\$6,213
Total		47,987	\$16,306	\$12,257	\$4,049

* No JAR

Source: 2011 JAR, Schedule D - Availability and Utilization of Service & F - Financial Data

Note: Above totals are for all procedures, not just plastic procedures
"Total" is the Average of all ASTC's

**Avg. Patient Charges
Service Area ASTC's
Multi-Specialty, Including Plastic Surgery**

2010	Co.	# of Pts.	Avg. Gross	Avg. Deduct.	Avg. Net
Baptist Ambulatory Surgery Center	Davidson	7,472	\$7,985	\$598	\$7,386
Baptist Plaza Surgicare	Davidson	9,427	\$6,329	\$474	\$5,855
Centennial Surgery Center	Davidson	7,217	\$8,267	\$620	\$7,647
Nashville Surgery Center	Davidson	4,141	\$14,408	\$1,080	\$13,328
Northridge Surgery Center	Davidson	3,673	\$16,244	\$1,217	\$15,026
St. Thomas Campus Surgicare	Davidson	6,835	\$8,729	\$654	\$8,075
Summit Surgery Center	Davidson	6,873	\$8,681	\$651	\$8,030
Cool Springs Surgery Center	Williamson	6,790	\$8,787	\$659	\$8,128
Williamson Surgery Center	Williamson	3,531	\$16,897	\$1,266	\$15,630
Total		55,959	\$10,703	\$802	\$9,901

* No JAR

Source: 2010 JAR, Schedule D - Availability and Utilization of Service & F - Financial Data

Note: Above totals are for all procedures, not just plastic procedures
"Total" is the Average of all ASTC's

**Avg. Patient Charges
Service Area ASTC's
Multi-Specialty, Including Plastic Surgery**

2009	Co.	# of Pts.	Avg. Gross	Avg. Deduct.	Avg. Net
Baptist Ambulatory Surgery Center	Davidson	7,680	\$7,939	\$6,018	\$1,922
Baptist Plaza Surgicare	Davidson	9,922	\$6,145	\$4,658	\$1,487
Centennial Surgery Center	Davidson	3,633	\$16,784	\$12,721	\$4,062
Nashville Surgery Center	Davidson	3,426	\$17,798	\$13,490	\$4,308
Northridge Surgery Center	Davidson	3,789	\$16,093	\$12,197	\$3,895
St. Thomas Campus Surgicare	Davidson	8,028	\$7,595	\$5,757	\$1,838
Summit Surgery Center	Davidson	7,279	\$8,377	\$6,349	\$2,028
Cool Springs Surgery Center	Williamson	6,751	\$9,032	\$6,846	\$2,186
Williamson Surgery Center	Williamson	3,680	\$16,569	\$12,559	\$4,011
Total		54,188	\$11,815	\$8,955	\$2,860

Source: 2009 JAR, Schedule D - Availability and Utilization of Service & F - Financial Data

Note: Above totals are for all procedures, not just plastic procedures
"Total" is the Average of all ASTC's

PATIENT TRANSFER AGREEMENT

THIS PATIENT TRANSFER AGREEMENT (this "Agreement") is made as of November 29, 2010, by and between SETON CORPORATION D/B/A BAPTIST HOSPITAL ("Hospital") and MAXWELL AESTHETICS, PLLC ("Transferor").

RECITALS:

- A. Hospital and Transferor each operate health care entities located in Middle Tennessee.
- B. The parties desire to assure a continuity of care and appropriate medical treatment for the needs of each patient in their respective facilities, and have determined that, in the interest of patient care, the parties should enter into an agreement to provide for the transfer of patients from Transferor to Hospital on the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the mutual promises herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows.

1. Term and Termination.

(a) The Agreement shall have a two (2) year term commencing on January 1, 2011 (the "Initial Term"). Upon the expiration of the Initial Term, this Agreement shall automatically renew for up to three additional one-year renewal terms ("Renewal Term") unless either party provides written notice of its intent not to renew to the other party at least sixty (60) days prior to the end of the then current term (the Initial Term and any Renewal Terms are collectively referred to herein as the "Term").

(b) This Agreement may be terminated by either party:

- (i) upon ninety (90) days prior written notice to the other party, or
- (ii) immediately should the other party fail to maintain the licenses, certifications or accreditations, including Medicare certification, required to operate its facility as it is currently being operated.

2. Transfer.

(a) Upon such time that a patient's physician determines that the patient needs to be transferred from Transferor to Hospital pursuant to Transferor's physician's order, Hospital agrees to admit the patient as promptly as possible and provide healthcare services as necessary, provided all conditions of eligibility are met. Transferor agrees to send the following with each patient at the time of transfer, or as soon thereafter as possible in emergency situations:

- (i) an abstract of pertinent medical and other information necessary to continue the patient's treatment without interruption; and
- (ii) essential identifying and administrative information.

(b) Transferor shall also perform the following:

- (i) notify Hospital of the impending transfer; and
- (ii) receive confirmation that Hospital has accepted the patient, and that a member of the Hospital medical staff or an emergency department physician has also accepted the patient; and
- (iii) advise the patient that the medical benefits from the transfer outweigh the risks; and
- (iv) obtain patient's consent to the transfer; and
- (v) arrange for the transportation of the patient, including mode of transportation and the provision of one or more health care practitioners as necessary

3. Relationship of the Parties

(a) Nothing in this Agreement shall in any way affect the autonomy of either party. Each party shall have exclusive control of its management, assets and affairs. Neither party assumes any liability for the debts or obligations of the other party.

(b) Neither party shall be responsible, financially or otherwise, for the care and treatment of any patient while that patient is admitted to, or is under the care of, the other party's facility.

(c) Each party may contract or affiliate with other facilities during the term of this Agreement.

4. EMTALA. The parties agree that any patient transfers made pursuant to this Agreement shall be in compliance with 42 U.S.C. § 1395dd, et seq. and any amendments thereto ("EMTALA"), EMTALA's implementing regulations, such other requirements as may be imposed by the Secretary of Health and Human Services, and any other applicable Federal or State patient transfer laws.

5. Indemnification. Transferor agrees to indemnify, defend and hold Hospital, its officers, trustees, employees and agents harmless, to the extent permitted by applicable law, from or against any loss, injury, damage or liability incurred by reason of any act or failure to act by Transferor, its officers, employees or agents in connection with the performance of this Agreement.

Hospital agrees to indemnify, defend and hold Transferor, its officers, employees and agents harmless, to the extent permitted by applicable law, from or against any loss, injury, damages or liability incurred by reason of any act or failure to act by Hospital, its officers, trustees, employees and agents in connection with the performance of this Agreement.

6. Compliance. In compliance with federal law, including the provisions of Title IX of the Education Amendments of 1972, Section 503 and 504 of the Rehabilitation Act of 1973, the Age Discrimination in Employment Act of 1967 and 1975 and the Americans with Disabilities Act of 1990, and Title VI of the Civil Rights Act of 1964 each party hereto will not discriminate on the basis of race, sex, religion, color, national or ethnic origin, age, disability, or military service, AIDS and AIDS related

conditions in its administration of its policies, including admissions policies, employment, or program activities.

7. Record Availability. Transferor agrees that, until the expiration of four (4) years after the furnishing of any goods and services pursuant to this Agreement, it will make available, upon written request of the Secretary of Health and Human Services or the Comptroller General of the United States or any of their duly authorized representatives, copies of this Agreement and any books, documents, records and other data of Transferor that are necessary to certify the nature and extent of the costs incurred by Hospital in purchasing such goods and services. If Transferor carries out any of its duties under this Agreement through a subcontract with a related organization involving a value or cost of ten thousand dollars (\$10,000) or more over a twelve-month period, Transferor will cause such subcontract to contain a clause to the effect that, until the expiration of four (4) years after the furnishing of any good or service pursuant to said contract, the related organization will make available upon written request of the Secretary of Health and Human Services or the Comptroller General of the United States or any of their duly authorized representatives, copies of this Agreement and any books, documents, records and other data of said related organization that are necessary to certify the nature and extent of costs incurred by Transferor for such goods or services. Transferor shall give Hospital notice immediately upon receipt of any request from the Secretary of Health and Human Services or the Comptroller General of the United States or any of their duly authorized representatives for disclosure of such information.

Transferor agrees to indemnify, defend and hold Hospital harmless from and against any loss, liability, judgment, penalty, fine, damages (including punitive and/or compounded damages), costs (including reasonable attorneys' fees and expenses) suffered or incurred by Hospital as a result of, in connection with, or arising from Transferor's failure to comply with this Section 6.

8. Exclusion from Federal Health Care Programs. Transferor represents and warrants that it has not been nor is it about to be excluded from participation in any Federal Healthcare Program. Transferor agrees to notify Hospital within one (1) business day of Transferor's receipt of a notice of intent to exclude or actual notice of exclusion from any such program. The listing of Transferor or any Transferor-owned subsidiary on the Office of Inspector General's exclusion list (OIG website) or the General Services Administration's List of Parties Excluded from Federal Procurement and Nonprocurement Programs (GSA website) for "excluded individuals and entities" shall constitute "exclusion" for purposes of this paragraph. In the event that Transferor is excluded from any Federal Healthcare Program, this Agreement shall immediately terminate. For the purposes of this paragraph, the term "Federal Healthcare Program" means the Medicare program, the Medicaid program, the Maternal and Child Health Services Block Grant program, the Block Grants for State for Social Services program, any state Children's Health Insurance program, or any similar program. Further, Transferor agrees to indemnify and hold Hospital harmless from and against any loss, liability, judgment, penalty, fine, damages (including punitive and/or compounded damages), costs (including reasonable attorneys' fees and expenses) incurred by Hospital as a result of Transferor's failure to notify the Hospital of its exclusion from any Federal Healthcare Program.

9. Corporate Compliance. Hospital has in place a Corporate Responsibility Plan, which has as its goal to ensure that Hospital complies with federal, state and local laws and regulations. The plan focuses on risk management, the promotion of good corporate citizenship, including a commitment to uphold a high standard of ethical and legal business practices, and the prevention of misconduct. Transferor acknowledges Hospital's commitment to corporate responsibility. Transferor agrees to conduct its business transactions with Hospital in accordance with the principles of good corporate citizenship and a high standard of ethical and legal business practices.

March 26, 2013

11:30am

CS193

10. Miscellaneous

(a) The parties agree to provide each other with information regarding the resources each has available and the type of patients or health conditions that each is able to accept.

(b) Neither party shall use the name of the other in any promotional or advertising material unless the other party has been given the opportunity to review the material and prior written approval for the material and its use has been obtained.

(c) This Agreement supersedes all prior agreements, whether written or oral, between the parties with respect to its subject matter and constitutes a complete and exclusive statement of the terms of the agreement between the parties with respect to its subject matter. This Agreement may not be amended, supplemented, or otherwise modified except by a written agreement executed by the party to be charged with the amendment.

(d) If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

(e) This Agreement shall be governed by and construed and enforced in accordance with the laws and in the courts of the State of Tennessee.

(f) Hospital may assign this Agreement, without the consent of Transferor, to an entity that directly or indirectly controls, is controlled by, or is under common control with, Hospital. For the purposes of this paragraph, the terms "control" means, with respect to a person, the authority, directly or indirectly, to (i) act as controlling member, shareholder or partner or such person, (ii) appoint, elect or approve at least a majority of the individual members, shareholders or partners of such person, or (iii) appoint, elect or approve at least a majority of the governing body of such person. Except as set forth above, neither party may assign this Agreement or any obligation hereunder without first obtaining the written consent of the other party. Any attempted delegation or assigning in violation of this paragraph shall be null and void. Subject to the foregoing, this Agreement shall be binding on and inure to the benefit of the parties and their respective heirs, administrators, successors and permitted assigns. Nothing expressed or referred to in this Agreement will be construed to give any person other than the parties to this Agreement any legal or equitable right, remedy or claim under or with respect to this Agreement or any provision of this Agreement, except such rights as shall inure to a successor or permitted assignee pursuant to this paragraph.

(g) In the event that any legal action or other proceedings, including arbitration, is brought for the enforcement of this Agreement or because of an alleged dispute of breach, the prevailing party shall be awarded its costs of suit and reasonable attorney's fees.

(h) All notices, consents, waivers and other communications required or permitted by this Agreement shall be in writing and shall be deemed given to a party when (a) delivered to the appropriate address by hand or by nationally recognized overnight courier service (costs prepaid); or (b) received or rejected by the addressee, if sent by certified mail, return receipt requested, in each case to the following addresses and marked to the attention of the person (by name or title) designated below (or to such other address or person as a party may designate by notice to the other parties):

March 26, 2013

11:30am

C5193

If to Hospital:

Baptist Hospital
3000 Church Street
Nashville, TN 37203
Attn: Chief Nursing Officer

With a copy to:

Saint Thomas Health Services
102 Woodmont Blvd., Suite 800
Nashville, TN 37203
Attn: Contract Administration

If to Transferor:

Maxwell Aesthetics, PLLC
2020 21st Avenue South
Nashville, TN 37212
Attn: Administrator

(1) The headings of the various sections of this Agreement are inserted merely for convenience and do not expressly or by implication limit, define or extend the specific terms of the sections so designated. Any rule of construction or interpretation otherwise requiring this Agreement to be construed or interpreted against any party shall not apply to any construction or interpretation hereof.

(2) This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Agreement and of signature pages by facsimile transmission shall constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of the original Agreement for all purposes. Signatures of the parties transmitted by facsimile shall be deemed to be their original signatures for all purposes.

IN WITNESS WHEREOF, the parties have executed this Patient Transfer Agreement as of the date first above written.

HOSPITAL:

Seton Corporation d/b/a Baptist Hospital

By:

Name: Kathleen Hirsch

Title: Chief Nursing Officer

TRANSFEROR:

Maxwell Aesthetics, PLLC

By:

Name:

Title:

G. VADICK MAXWELL AESTHETICS
President

March 26, 2013

11:30am

Newspaper: THE TENNESSEAN

2013 MAR 26 AM 11:38

State Of Tennessee**TEAR SHEET
ATTACHED****Account Number:** 496359**Advertiser:** E GRAHAM BAKER, JR.**RE:** NOTIFICATION OF INTENTI, V Perry Sales Assistant for theabove mentioned newspaper, hereby certify that the attached
advertisement appeared in said newspaper on the following dates:✓
3/10/2013V PerrySubscribed and sworn to me this 13 day of March, 2013Lela Bates**NOTARY PUBLIC**

THE TENNESSEAN

and payment bonds within ten (10) days after notice of award of contract to him. Such bid guarantee shall be made payable to the Town of Centerville. The successful bidder must furnish a performance and payment bond upon the form provided in the amount of one hundred per cent (100%) of the contract price from an approved surety company holding a permit from the State of Tennessee to act as surety, or other surety or sureties acceptable to the Owner. Bidders must be licensed under the terms of the Tennessee Code Annotated §562-6-103, et seq. Mechanics and laborers on the project shall be paid not less than the minimum hourly rates set out in the Davis Bacon Prevailing Wage Determination Number TN130091 01/04/2013. TN91 or Tennessee 2013-2014 Building Prevailing Wage Rates Determined for Region 6 as listed in section B-04 of the Special Provisions. The awarded Contractor will be responsible for paying the higher of the two wages for any given trade and submitting weekly certified payrolls to the Tennessee Department of Labor with copies going to the Engineer and Owner. The Town of Centerville reserves the right to reject any or all bids, to waive irregularities in the bids and bidding deemed to be in the best interests of the Town of Centerville, and to reject nonconforming, nonresponsive, or conditional bids. The Town of Centerville does not discriminate based on race, color or national origin in federal or state sponsored programs pursuant to Title VI of the Civil Rights Act of 1964 (42 U.S.C. Bids must remain in effect for 60 days after the bid opening date. Town of Centerville 102 East Swan Street Centerville, TN 37033

When your search for a new car shifts into high gear, find what you want in The Tennessee Classifieds. Red sports cars. Tan SUV's. Black trucks. Blue sedans. Cruise the Classifieds to find the car you want.



When your search for a new car shifts into high gear, find what you want in The Tennessee Classifieds. Red sports cars. Tan SUV's. Black trucks. Blue sedans. Cruise the Classifieds to find the car you want.



0101634379

NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. Sections 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that Summit Medical Center (a hospital), owned and managed by HCA Health Services of Tennessee, Inc. (a corporation), intends to file an application for a Certificate of Need to establish a twelve (12)-bed acute inpatient rehabilitation unit and service in its hospital facility at 5555 First Boulevard, Hermitage, TN 37076, and to increase the hospital's licensed bed complement by twelve (12) beds, at a capital cost estimated at \$5,350,000. The rehabilitation unit will be created by renovating existing hospital space. Summit Medical Center is a general hospital licensed by the Board for Licensing Health Care Facilities, Tennessee Department of Health, for 188 hospital beds. The project will increase its licensed hospital bed complement to 200 beds. It will not initiate any other health service and will not add any major medical equipment. The anticipated date of filing the application is on or before March 15, 2013. The contact person for this project is John Wellborn, who may be reached at Development Support Group, 4219 Hillsboro Road, Suite 203, Nashville, TN 37215; (615) 665-2022. Upon written request by interested parties, a local Fact-Finding public hearing shall be conducted. Written requests for hearing should be sent to: Health Services and Development Agency, Frost Building, Third Floor 161 Rosa Parks Boulevard Nashville, Tennessee 37203 Pursuant to TCA Sec. 68-11-1607(c)(1): (A) any health care institution wishing to oppose a Certificate of Need application with the Health Services and Development Agency must file a written objection with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled, and (B) any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

0101634416

NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. §68-11-1601, et seq., and the Rules of the Health Services and Development Agency, that Maxwell Aesthetic, PLLC, 2020 21st Avenue, South, Nashville, Davidson County, Tennessee, 37212 ("Applicant"), managed by itself and owned by G. Patrick Maxwell, M.D. (same address), ("Owner"), intends to file a Certificate of Need application for the construction, development and establishment of an Ambulatory Surgical Treatment Center ("ASTC") containing one operating room and limited to plastic surgery, only. There is no major medical equipment involved with this project. No other health services will be initiated or discontinued. It is proposed that the Applicant will be licensed by the Tennessee Department of Health. The estimated project cost is anticipated to be approximately \$1,500,000.00, including filing fee. The anticipated date of filing the application is: March 15, 2013. The contact person for this project is E. Graham Baker, Jr., Attorney, who may be reached at 2021 Richard Jones Road, Suite 350, Nashville, TN 37215, 615/370-3380. Upon written request by interested parties, a local Fact-Finding public hearing shall be conducted. Written requests for hearing should be sent to: Health Services and Development Agency, Frost Building, 3rd Floor 161 Rosa L. Parks Blvd., Nashville, Tennessee 37243 The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

LEO'S TANK TURKEY

2 hunters needed. Robertson Co. 800 acres. Call 615-948-6284

Jewelry/Watches

ENGAGEMENT RING valued at \$4,400 doesn't include Ctr Diamond. Occasional plate with surrounding RBC diamond Bright Set with 4 small diamonds. (256)603-4247

Lawn/Garden

LAWN MOWER Toro 6hp. very good condition \$150. Call 615-513-4559

Merchandise

CASH PAID FOR BROKEN LAPTOPS, TABLETS and Texts Call or Text 615-505-0471 for pick up

Misc. Merchandise

PFALTZGRAFF "Remembrance" dinnerware, never used, numerous other pieces. \$150. Old Shav- ing Stand, mirror & cat dishes on shelf. Free delivery on site. Call 615-924-1732

Musical Merchandise

BALDWIN PIANO/GULBRANSEN Baldwin conspiette piano and Gulbransen spinet piano, both with benches, tuned and ready to be played. \$395/\$235 \$500/both Call (615) 496-1076 or (615) 352-0570

NASHVILLE Used Guitars pays the MOST CASH on the spot for all musical instruments & gear. Call 615-448-6668 Mon-Fri 9a-5p Sat 9a-4p 110 Glancy St. Rivergate

started. Call 615-582-7118

Toys/Games/Hobbies

AIRPLANE Senior Telemaster, 6 ft fuselage, 8 ft wing span, single 90cc engine, all accessories, flown twice. 615-582-7118

Garage Sales

FRANKLIN MULTI-FAMILY March 16, 7-11 a.m. 583 Leaning Way furniture, clothing, etc

Garage Sales

Wilson MT. JULIET Fri-Sun. March 8-9-10. 1805 Meadow Glen Circle Everything must go. Furniture, appliances, kitchenware, electronics, etc.

MOVING SALE

You don't have to wait for business hours to place your next Classified ad in The Tennesseean. Just go to Classifieds on Tennesseean.com any time to place your ad from the comfort of your own computer.

We're happy to offer this online convenience when you advertise in the following categories: pets, merchandise, announcements, garage sales and transportation. The Tennessee Classifieds. What you want. Every day. To place your ad at Tennesseean.com, click on Classifieds.

TENNESSEAN.com Every day matters. www.tennesseean.com

SUNDAY, MARCH 10, 2013 \$5

ment Dishwasher at Fairview Middle School. Bids must be submitted in a sealed envelope, mailed or hand delivered to WCBE Central Office, 1320 West Main Street, Suite 202, Franklin, TN 37064. Attn: Skip Decker. Faxed bids will not be accepted. Sealed bids will be received until 2:00 pm on Monday, March 25, 2013. Any bids received after the specified opening time will not be accepted. WCBE must reschedule a bid opening date or time, the specifications obtained from the Purchasing Dept. shall reflect the actual date and time. A pre-bid meeting will be held at the Fairview Middle School on Monday, March 18, 2013 at 10:00 am. Please mark sealed bid envelopes "WCS-RFB 451" 895 Dishwasher Replacement at FVMS. The following information must be written on the outside of the bid envelope: Company Name, Date and Time of Bid Opening, TN Contractors License Number, Limits and Expiration Date.



MALAMUTE FOUND MacGallatin Pike Madison, TN 37133 one blue eye one btm

Messages

DAN MILLS Elementary School would like to thank Lowes for granting us a \$3000 award to build an outdoor classroom.

Person-To-Person

ARE YOU TIRED of this dull, boring, lonely, single life and would like friendship, companionship, and possible marriage and you are a white lady 40-58 years old. There is a 50ish male, white Christian who would like to meet you. Please reply with photo to: P.O. Box 288274, Nashville, TN 37228

Singles Activities

#1 CHAT IN NASHVILLE Meet Hot Local Singles Tonight on QUEST! Try it FREE! 18+ 615-256-9080 www.QuestChat.com

Feel the Vibe! Hot Back Chat Call FREE! 615-727-0222 OR 800-939-9455 18+ any time to place your ad from the comfort of your own computer.

FUN, FLIRTY, LOCAL WOMEN Call 615-527-9047. TRY FREE!

LOCAL GAY / BI MEN Browse / Reply FREE! 615-399-9455 18+ Use Code 5999

MEET SEXY LOCALS! Browse / Reply FREE! 615-367-3636 18+ FREE Code 7992

SUPPLEMENTAL - # 1
March 26, 2013
11:30am

Looking for a diamond in the rough? Check The Tennessee Classifieds for estate sales, auctions and garage sales for treasures just waiting to be discovered

Copy

Supplemental #2

Maxwell Aesthetics, PLLC

CN1303-009

March 28, 2013

10:01 am

AFFIDAVIT
2013 MAR 28 AM 10 01


STATE OF TENNESSEE
COUNTY OF DAVIDSON


NAME OF FACILITY: Maxwell Aesthetics, PLLC (CN1303-009)

I, E. Graham Baker, Jr., after first being duly sworn, state under oath that I am the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete to the best of my knowledge, information and belief.


Signature/Title Attorney at Law

Sworn to and subscribed before me, a Notary Public, this 28th day of March, 2013; witness my hand at office in the County of Davidson, State of Tennessee.


NOTARY PUBLIC
My Commission expires May 6, 2013



1. Section A, Applicant Profile, Item 5

Your response to this item is noted. Please explain why the Projected Data Chart includes Management Fees to Non-Affiliates of \$58,903 in Year 1 and \$66,385 in Year 2.

Response: Please pardon the error. These are not management fees. The ASTC anticipates utilizing an outside billing service. We have moved these billing costs to the "Other Expenses" chart (p.36) and have revised the Projected Data Chart. Please see replacement pages 35 and 36.

2. Section B, Item II. (Project Description)

Please explain how credentialing the CRNA will result in the CRNA being contracted with the TennCare MCOs in the area.

Response: In effect, there are two ways anesthesia services are provided and billed. For cosmetic patients, CRNA services are included in a global fee. For non-cosmetic patients, insurance companies require separate billing for various services, including anesthesia, which requires credentialing of the CRNA. Insurance companies require credentialing of all providers who bill them.

In addition, in order to bill TennCare MCOs for anesthesia services for non-cosmetic patients, the CRNA would have to be credentialled. Since TennCare MCOs require credentialing of the CRNA and we will take TennCare patients, the credentialing of our CRNA will result in our being able to take TennCare patients.

3. Section C., Need, Item 1.a. (Service Specific Criteria-ASTC) 1.b.

Please identify the types of procedures requiring three hours and explain why they take so much longer than the average 60 minute case.

Response: The average face lift (rhytidectomy) takes about 4 hours due to the very precise and intricate dissection and suturing of the procedure. Also, most face lifts are done in combination with upper and lower blepharoplasty (eyes) and a neck lift, which increases surgery time.

Many breast revisions can take 3.5 to 4 hours simply because it is a "revision" being done to redo or correct a situation. It always takes less time to do a "first time" procedure than the second surgery. We do numerous breast revisions at Maxwell Aesthetics.

A lot of our surgeries are several procedures being done on one patient during the same surgical session. One example is face lift, eyes, and neck lift (as mentioned above). Another example is an abdominoplasty (tummy tuck) in combination with a breast case. Two other examples include: (1) tummy tuck and liposuction; and (2) breast revision with fat grafting procedures. These combinations of procedures result in increased surgical times.

Any of the above examples can last up to 4 hours. Factoring in the time of these lengthy sessions increases our average time for all procedures to about 3 hours, as stated.

4. Section C. Economic Feasibility Item 4 (Projected Data Chart)

Salaries and Wages are typically the largest expense in a Projected Data Chart. In the applicant's Projected Data Chart over 50% of expenses are supplies. Please provide the rationale for this variance.

Response: Many of the procedures performed at Maxwell Aesthetics require expensive supplies. For example, some implants cost \$750 each, and alloderm costs can equal that on most of our patients. Reconstructive surgeries require extensive amounts of alloderm. Further, the amount of suture required for most of the procedures we perform is extensive, as many "stitches" are required.

Dividing out the cost of supplies per anticipated case results in about \$1,801 and \$1,789 per patient in Years 1 and 2, respectively. Assuming a patient has reconstructive surgery on both breasts, the cost of supplies for such a patient might well exceed \$3,000. Obviously, not all patients have such extensive surgery, but when averaged in with all anticipated surgeries, the average cost of supplies per patient is significant.

5. Section C. Economic Feasibility Item 6.B

The only other surgery center limited to plastic surgery in the proposed service area reported an average gross charge per patient of \$1,421 and an average net charge of \$1,128. The applicant's projected gross charge per patient is \$6,212 and the average net charge is \$3,885. Please explain why there is such a large variance between the two plastic surgery ASTCs.

Response: The Applicant cannot speak as to what services are being provided by the other surgery center limited to plastic surgery, nor can we address the costs of such services at that center.

With that said, we surmise one of three scenarios: (1) the other surgery center is not providing the same services that we are currently providing and will provide; (2) The surgeon(s) at the other surgery center are providing supplies (such as implants and alloderm) through their respective professional fees, which is permissible, but which would result in lower average patient costs being shown on the JARs; or (3) the JARs supplied by the other surgery center are incorrect.

Our application has attempted to report all of the anticipated surgical costs, including supplies, but not including professional fees.



2013 MAR -7 AM 10:49

LETTER OF INTENT TENNESSEE HEALTH SERVICES AND DEVELOPMENT AGENCY

The Publication of Intent is to be published in the The Tennessean which is a newspaper of general
(Name of Newspaper)

circulation in Davidson County, Tennessee, on or before March 10, 2013 for one day.
(County) (Month / day) (Year)

=====

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. §68-11-1601, et seq., and the Rules of the Health Services and Development Agency, that Maxwell Aesthetics, PLLC, 2020 21st Avenue, South, Nashville, Davidson County, Tennessee, 37212 ("Applicant"), managed by itself and owned by G. Patrick Maxwell, M.D. (same address), ("Owner"), intends to file a Certificate of Need application for the construction, development and establishment of an Ambulatory Surgical Treatment Center ("ASTC") containing one operating room and limited to plastic surgery, only. There is no major medical equipment involved with this project. No other health services will be initiated or discontinued. It is proposed that the Applicant will be licensed by the Tennessee Department of Health. The estimated project cost is anticipated to be approximately \$1,500,000.00, including filing fee.

The anticipated date of filing the application is: March 15, 2013.

The contact person for this project is E. Graham Baker, Jr. Attorney
(Contact Name) (Title)

who may be reached at: his office at 2021 Richard Jones Road, Suite 350
(Company Name) (Address)

Nashville TN 37215 615/370-3380
(City) (State) (Zip Code) (Area Code / Phone Number)

E. Graham Baker, Jr. March 07, 2013 graham@grahambaker.net
(Signature) (Date) (E-mail Address)

=====

The Letter of Intent must be filed in triplicate and received between the first and the tenth day of the month. If the last day for filing is a Saturday, Sunday or State Holiday, filing must occur on the preceding business day. File this form at the following address:

Health Services and Development Agency
Frost Building
161 Rosa L. Parks Blvd., 3rd Floor
Nashville, Tennessee 37243

=====

The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

=====

* The project description must address the following factors:

1. General project description, including services to be provided or affected.
2. Location of facility: street address, and city/town.
3. Total number of beds affected, licensure proposed for such beds, and intended uses.
4. Major medical equipment involved.

5. Health services initiated or discontinued.
6. Estimated project costs.
7. For home health agencies, list all counties in proposed/licensed service area.

HF0051 (Revised 7/02 – all forms prior to this date are obsolete)

WEEKS & ANDERSON

An Association of Attorneys

2021 RICHARD JONES ROAD, SUITE 350

NASHVILLE, TENNESSEE 37215-2874

TELEPHONE 615/383-3332

FACSIMILE 615/383-3480

2013 JUN 14 8:01 AM

KENT M. WEEKS
ROBERT A. ANDERSON

B. MURPHY, JR.
E. GRAHAM BAKER, JR.

DIRECT TELEPHONE NUMBER: 615/370-3380

June 13, 2013

Ms. Melanie Hill, Executive Director
Health Services and Development Agency
Frost Building, 3rd Floor
161 Rosa L. Parks Blvd.
Nashville, Tennessee 37243

Re: Maxwell Aesthetics, PLLC – CN1303-009
Your Email of June 12, 2013

Dear Melanie:

I apologize. The 72 outpatient cases, originally reported as being performed at Baptist Ambulatory Surgery Center, were really performed at Baptist Hospital. Therefore, the numbers change, and those 72 cases were NOT performed in an ASTC, but were additional outpatient cases performed at Baptist Hospital during that time period.

I will be happy to update all references in the original CON application if needed. Please advise.

Sincerely,


E. Graham Baker, Jr.
/np

c: Kathy Byrd
Karen Moore
Rodney Lunn

**CERTIFICATE OF NEED
REVIEWED BY THE DEPARTMENT OF HEALTH
DIVISION OF HEALTH STATISTICS
615-741-1954**

DATE: June 3, 2013

APPLICANT: Maxwell Aesthetics, PLLC
2020 21st Avenue, South
Nashville, Tennessee 37212

CONTACT PERSON: E. Graham Baker, Jr.
Weeks and Anderson
2021 Richard Jones Road, Suite 350
Nashville, Tennessee 37215

COST: \$1,322,564

In accordance with Section 68-11-1608(a) of the Tennessee Health Services and Planning Act of 2002, the Tennessee Department of Health, Division of Policy, Planning, and Assessment reviewed this certificate of need application for financial impact, TennCare participation, compliance with *Tennessee's Health: Guidelines for Growth, 2011 Edition*, and verified certain data. Additional clarification or comment relative to the application is provided, as applicable, under the heading "Note to Agency Members."

SUMMARY:

The applicant, Maxwell Aesthetics, PLLC, located in Nashville (Davidson County), Tennessee, seeks Certificate of Need (CON) for the construction, development, and establishment of an ambulatory surgical treatment center (ASTC) containing one operating room and limited to plastic surgery, only. There is no major medical equipment involved, no other health services being initiated or discontinued. No licensed beds are included in this project. One pre-op bed and two post-op beds will be located in the ASTC.

The applicant leases 5,576 square feet located on the first floor of the building that is divided into two parts. The applicant utilizes right portion of the first floor for part for his private practice and his existing office based surgery suite is located on the left side of the first floor. The existing office based surgery suite totals 2,788 square feet. Of this, only 2,000 square feet will be renovated. The total cost of renovation is estimated to be \$238,460 or \$110.23 per square foot. Compared to HSDA's approved CON construction costs for years 2009-2011, this project is financially feasible.

Dr. G. Patrick Maxwell is the sole equity member of the professional limited liability company.

The total estimated project cost is \$1,322,564 and will be financed through cash reserves as attested to by letter in Attachment C.E.F.2.

GENERAL CRITERIA FOR CERTIFICATE OF NEED

The applicant responded to all of the general criteria for Certificate of Need as set forth in the document *Tennessee's Health: Guidelines for Growth, 2000 Edition*.

NEED:

The primary service area will include the Middle Tennessee counties of Davidson and Williamson counties and several other states. Drs. Maxwell and O'Shaughnessy are both nationally and internationally known, as their patient origin reveals.

The following chart illustrates the 2013 and 2017 population of the two-county service area.

2013 and 2017 Population Projections for Davidson and Williamson Counties

County	2013 Population	2017 Population	% Increase/ (Decrease)
Davidson	605,293	622,476	2.8%
Williamson	188,259	203,870	8.3%
Total	793,552	826,346	4.1%

Source: *Tennessee Population Projections 2000-2020, February 2008 Revision*, Tennessee Department of Health, Division of Health Statistics

Service Area Hospital Operating Room and Procedure Room Utilization in 2011

Hospital	Inpt ORs	Procedures	Dedicated Opt. ORs	Outpatient Procedures
Southern Hills Medical Center	10	1,068	*10	2,657
Metro Nashville General Hospital	9	1,836	0	3,008
Baptist Hospital	26	22,875	*2	14,319
Saint Thomas Hospital	18	25,978	2	6,574
Vanderbilt University Hospital	62	46,436	5	43,705
Centennial Medical Center	37	10,961	4	16,456
Skyline Medical Center	12	2,141	0	2,748
Skyline Madison	0	0	0	0
Summit Medical Center	12	2,611	0	3,525
Williamson Medical Center	11	3,156	0	4,176
Total	197	117,062	23	97,168

Source: *Joint Annual Report of Hospitals 2011*, Tennessee Department of Health, Division of Health Statistics
*Dedicated one day per week.

The following chart illustrates the single specialty plastic surgery center utilization in the applicant's service area.

Service Area Single Specialty Plastic Surgery Center 2011 Utilization

Facility	ORs	Procedure Rooms	Procedures
DeLozier Surgery Center	1	3	992

Source: *Joint Annual Report of Ambulatory Surgical Treatment Centers 2011*, Tennessee Department of Health, Division of Health Statistics

The following multi-specialty ASTC's performed plastic surgery procedures in 2011.

Service Area Multi-Specialty Centers Performing Plastic Surgery Procedures 2011 Utilization

Facility	ORs	Procedure Rooms	Plastic Surgery Procedures
Centennial Surgery Center	6	2	651
Cool Springs Surgery Center	5	1	437
Nashville Surgery Center	5	1	503
Northridge Surgery Center	4	2	91
St. Thomas Campus Surgicare LP	6	1	990
Baptist Plaza Surgicare LP	9	1	2,329
Summit Surgery Center	5	1	229
Williamson Surgery Center	4	1	308
Total	44	11	5,538

Source: *Joint Annual Report of Ambulatory Surgical Treatment Centers 2011*, Tennessee Department of Health Division of Health Statistics

The applicant reports there are procedures that are allowable under office based surgery

certifications but they are limited in scope. Currently patients may have to have some procedures performed at the applicant's office, and other procedures that have to be scheduled at either an existing ASTC or hospital. This can be confusing to the patients and at the very least, inconvenient for both the patients and physicians. It would be much more convenient for the physician and patient if more procedures could be scheduled at one place. This application proposes to establish an ASTC to provide a more convenient, confidential and patient friendly atmosphere for the applicant's patients. Furthermore, by providing more procedures at one location, patients will receive better one-on-one care due to the continuity of specialized trained staff.

There is only one current ASTC in the area that is limited to plastic surgery, Delozier Surgery Center in Nashville. In 2011, Delozier Surgery Center performed 992 procedures in their one operating room. This equates to 2.04 procedures per patient at Delozier. The seven ASTCs in Davidson County and two ASTCs in Williamson County performed 5,538 plastic surgery procedures in 2011.

The med/surg hospitals in Davidson and Williamson counties performed 117,062 inpatient and 97,168 outpatient procedures in 2011. It is impossible to determine how many plastic surgeries were performed due to the fact the Joint Annual Report does not capture the individual types of surgeries performed.

The applicant/owner and other physicians who plan to utilize the proposed facility will continue to perform surgeries at the area inpatient facilities.

TENNCARE/MEDICARE ACCESS:

The applicant will request to be contracted with AmeriGroup, AmeriChoice, and BCBS. Dr. Maxwell currently takes TennCare patients out of network. The applicant's associate, Dr. Kristina, has TennCare Contracts with AmeriGroup, AmeriChoice, and BCBS.

Assuming net revenue of \$1,472,565, the applicant estimates approximately \$117,805 will be reimbursed by Medicare and \$4,418 will be reimbursed by TennCare.

ECONOMIC FACTORS/FINANCIAL FEASIBILITY:

The Department of Health, Division of Policy, Planning, and Assessment have reviewed the Project Costs Chart, the Historic Data Chart, and the Projected Data Chart to determine they are mathematically accurate and the projections are based on the applicant's anticipated level of utilization. The location of these charts may be found in the following specific locations in the Certificate of Need Application or the Supplemental material:

Project Costs Chart: The Project Costs Chart is located on page 30 of the application. The projects a total estimated project cost of \$1,322,564.

Historical Data Chart: This is a proposed new ASTC and no previous Historical Data is available.

Projected Data Chart: The Projected Data Chart is located on page 35 of the application. The applicant projects 379 patients in year one and 427 patients in year two with a net operating income of \$146,393 and \$164,814 each year, respectively.

The applicant's year one average gross charge is \$6,212, with an average deduction of \$2,327, resulting in an average charge of \$3,885. In year two, the average gross charge is \$6,218, with an average deduction of \$2,331, resulting in an average net charge of \$3,887.

The alternative to this project would be to continue to provide services as they have been provided in the past. This alternative was rejected as being too expensive and disruptive.

Another alternative considered was to look at the possibility of building or leasing at another site. This was also rejected as being too expensive and also disruptive.

CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTHCARE:

The applicant has transfer agreements with Baptist Hospital. Drs. Maxwell and O'Shaughnessy have admitting privileges at Baptist Hospital, Baptist Plaza Surgicare, and Centennial Medical Center.

The applicant believes that establishing a licensed ASTC at the same physical location as the surgeon's existing office practice and office based surgery suite will provide a more convenient and less confusing option to the current process.

The historic utilization shows the applicant performs more procedures in the office based surgery suite (538 in the last three years) than in the area ASTC's (371 in the last three years). Inpatient procedures will not be affected. The large percentage of procedures that will be provided in the applicant's ASTC would not be going to other existing ASTCs even if this project were not approved.

The applicant's surgeons have utilized three different ASTCs in Nashville in the past; therefore, the impact on any one ASTC will be minimal. Moving all the applicant's cases would only affect these three providers by an average of 1.6%.

There is only one ASTC in Nashville that is limited to plastic surgery. That facility does not accept Medicare or Medicaid whereas the applicant will accept both. The applicant believes this project will positively impact the health care system and will accept patients that the existing plastic surgery ASTC would not accept anyway.

The applicant will implement this ASTC without the hiring of additional staff. Currently, the employees at the office based surgery suite all work part-time and their hours will be increased when the ASTC is approved and implemented.

The applicant provides training for Vanderbilt residents as well as preceptorship and participates in a Fellowship program each year.

The applicant will seek licensure by the Tennessee Department of Health, Board for Licensing Healthcare Facilities and will be certified for Medicaid and Medicare. Accreditation will be sought from the Association for Ambulatory Health Care, Inc.

SPECIFIC CRITERIA FOR CERTIFICATE OF NEED

The applicant responded to all relevant specific criteria for Certificate of Need as set forth in the document *Tennessee's Health: Guidelines for Growth, 2000 Edition*.

AMBULATORY SURGICAL TREATMENT CENTERS

1. The need for an ambulatory surgical treatment center shall be based upon the following assumptions:

- a. An operating room is available 250 days per year, 8 hours per day.

The ASTC will be open 250 days a year, 8 hours per day.

- b. The average time per outpatient surgery case is 60 minutes.

The applicant reports that the average time for the plastic surgery procedures to be provided is about three hours. This means at best, only two procedures per day can be provided. Even if the ASTC operates all day, five days per week, the highest number of procedures that could be expected is about 500 per year. Due to the highly specialized

type of procedures to be provided, the ASTC will never achieve the number of cases outlined in the Guidelines for Growth.

- c. The average time for clean-up and preparation between outpatient surgery cases is 30 minutes.

The average clean-up time between procedures is approximately 30 minutes.

- d. The capacity of a dedicated, outpatient, general-purpose operating room is 80% of full capacity. That equates to 800 cases per year.

Plastic surgery is a specialized type of procedure, and the applicant does not anticipate performing 800 cases per year. The applicant projects 379 and 427 patients in years one and two, respectively.

The applicant reports that the average time for the plastic surgery procedures to be provided is about three hours. This means at best, only two procedures per day can be provided. Even if the ASTC operates all day, five days per week, the highest number of procedures that could be expected is about 500 per year. Due to the highly specialized type of procedures to be provided, the ASTC will never achieve the number of cases outlined in the Guidelines for Growth.

- e. Unstaffed operating rooms are considered available for ambulatory surgery and are to be included in the inventory and in the measure of capacity.

The applicant included unstaffed rooms in existing ASTCs and hospitals in the utilization data and provides this data in Attachments B.I.A.3. and B.I.A.4.

- 2. "Service Area" shall mean the county or counties represented by the applicant as the reasonable area to which the facility intends to provide services and/or in which the majority of its service recipients reside.

The applicant's primary service area in Tennessee consists of Davidson and Williamson counties. In addition, the applicant sees patients from Kentucky, Florida, and Alabama. In addition to these, the applicant sees patients from 17 other states and several foreign countries.

- 3. The majority of the population of a service area for an ambulatory surgical treatment center should reside within 30 minutes travel time to the facility.

The majority of the patients in the applicant's service area do not live within a 30-minute drive of the facility. Drs. Maxwell and O'Shaughnessy are both nationally and internationally known, as their patient origin reveals.

- 4. All applicants should demonstrate the ability to perform a minimum of 800 operations and/or procedures per year per operating room and/or procedure room. This assumes 250 days x 4 surgeries/procedures x .80.

Plastic surgery is a specialized type of procedure, and the applicant does not anticipate performing 800 cases per year. The applicant projects 379 and 427 patients in years one and two, respectively.

The applicant reports that the average time for the plastic surgery procedures to be provided is about three hours. This means at best, only two procedures per day can be provided. Even if the ASTC operates all day, five days per week, the highest number of procedures that could be expected is about 500 per year. Due to the highly specialized type of

procedures to be provided, the ASTC will never achieve the number of cases per year outline in the Guidelines for Growth.

The applicant will have the ability to perform 800 operations and/or procedures per year. During year two, the applicant anticipates performing services to 427 patients. On average, each patient has a little over two procedures each. This results in the ability to perform in excess of 854 procedures per year.

5. A certificate of need (CON) proposal to establish a new ambulatory surgical treatment center or to expand the existing services of an ambulatory surgical treatment center shall not be approved unless the existing ambulatory surgical services within the applicant's service area or within the applicant's facility are demonstrated to be currently utilized at 80% of service capacity. Notwithstanding the 80% need standard, the Health Facilities Commission may consider proposals for additional facilities or expanded services within an existing facility under the following conditions: proposals for facilities offering limited-specialty type programs or proposals for facilities where accessibility to surgical services is limited.

The applicant provides utilization charts for ASTCs limited to plastic surgery and multi-specialty ASTC's where plastic surgery is or can be performed in Attachments B.I.A.3. and B.I.A.4.

Note that Delozier reported one OR and 486 patients with a total of 992 procedures in 2011.

6. A CON proposal to establish an ambulatory surgical treatment center or to expand existing services of an ambulatory surgical treatment must specify the number of projected surgical operating rooms to be designated for ambulatory surgical services.

The applicant proposes to convert its one surgery suite room into one licensed operating room.

7. A CON proposal to establish an ambulatory surgical treatment center or to expand existing services of an ambulatory surgical treatment center must project patient utilization for each of the first eight quarters following the completion of the proposed project. All assumptions, including the specific methodology by which utilization is projected, must be clearly stated.

The applicant conservatively projects performing plastic surgery services for 379 and 427 patients in years one and two following approval. The quarterly projections are as follows:

In year one, the applicant projects, Q1-94, Q2-95; Q3-95; and Q4-95, procedures, respectively. In year two, the applicant projects Q1-106, Q2-106, Q3-107, and Q4-108 procedures, respectively.

8. A CON proposal to establish an ambulatory surgical treatment center or to expand the existing services of an ambulatory surgical treatment center must project patient origin by percentage and county of residence. All assumptions, including the specific methodology by which utilization is projected, must be clearly stated.

The applicant's primary service area in Tennessee consists of Davidson and Williamson counties. In addition, the applicant sees patients from Kentucky, Florida, and Alabama. In addition to these, the applicant sees patients from 17 other states and several foreign countries.